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Established 1887

Fault in Polaris, Found in 1966, Disclosed in U.S.

By Walter Pincus

WASHINGTON, Dec. 3 (WP) — Three-quarters of the U.S. Polaris A-1 model submarine-launched nuclear warheads probably would not have worked in the mid-1960s because of a mechanical defect, Department of Energy officials have disclosed.

In November 1966, scientists who discovered the extent of the problem described it as "truly catastrophic," officials said Friday. Publicly, however, there was nothing but praise at the time for the Polaris system.

The evidence, failure of one major part of the U.S. strategic defense was "closely held at the time," officials said.

It took several months in late 1966 and early 1967 to design a remedy for the difficulty and almost another year to refit the missile warheads deployed on submarines, officials said after reviewing records of the Atomic Energy Commission, predecessor of the Department of Energy.

Accounts of past problems with the U.S. nuclear weapons stockpile — such as the probable failure of the Polaris A-1 — have surfaced recently as part of the debate over a comprehensive nuclear test ban.

Scientists, many of them associated with the government's nuclear weapons laboratories at Los Alamos, N.M., or Livermore, Calif., have cited weapons problems to support arguments for and against continued nuclear testing.

'Ornery' Devices
In the process, however, it has become clear that stockpiled nuclear warheads — more often than the public knows — do run into unexpected problems and do require and receive continued surveillance.

As one key laboratory official said Friday, "nuclear weapons are pretty chicken-picking ornery," being made up of "strangely non-compatible materials" that are radioactive and chemically unstable.

As pieced together from government sources and scientists with the Los Alamos and Livermore

weapons laboratories, the Polaris story began in the late 1950s when the warhead was about to go into production.

Tests in 1958 and 1959 showed that a source described as a "nuclear-safety problem," one that would not harm the warhead's operation but required additional safety mechanisms.

Livermore scientists, who had designed the warhead, had an alternative one available. But because the nuclear test moratorium with the Soviet Union was then in effect, they could not test it. Therefore, they put the original warhead in production with an additional safety device. The first Polaris A-1s and the submarines carrying them went into service in 1960.

Problem of Aging
In 1965, during a routine examination of the system, a problem of aging in the materials used in the safety device was discovered. In November 1966, broader testing of a higher component from the new Polaris A-1 warhead sample found, according to one official, that "three were bad to one good."

One scientist Friday said the materials in the safety device in effect "bonded together" so that the safety would not release, thus preventing the nuclear warhead from exploding.

A Livermore scientist of the time argued Friday that the problem was not that serious. Rather, there were deviations from design specifications that would lead to degradation of the entire system.

He did concede, however, that "everybody gave finding a solution a very high priority and it got taken care of promptly."

The solution was to incorporate a nuclear component from the new Polaris A-3 warhead, which was then about to go into production.

A Polaris A-1 warhead as modified by the new component was tested underground in early 1967, since the test moratorium had ended in 1961. One month after the



A chanting crowd of young Iranians tries to block traffic in the Tehran bazaar yesterday.

Will Retain Control After Elections

S. Africa to Await UN in Namibia

UNITED NATIONS, Dec. 3 (UPI) — South Africa has reversed its stand on Namibia and told the United Nations that it will not hand over control of the mineral-rich territory to local leaders after this week's controversial elections, UN Secretary-General Kurt Waldheim said today.

The South African reversal is a major concession to the United States and its Western allies, who have insisted on a UN peacekeeping force to supervise Namibia's independence process. It could clear the way for a truce to move into the territory, known formally as South-West Africa, at the beginning of the new year.

[Six leaders of the major black nationalist party, the South-West Africa People's Organization, were arrested in raids today in the black suburb of Katutura, outside the South-West African capital of Windhoek, Jack Foisy of the Los Angeles Times reported.]

[The six were booked under the Terrorism Act, which allows for indefinite confinement without trial. Police failed to name them, but friends said they included Daniel Tjongarero, a SWAPO vice chairman and the group's principal leader inside South-West Africa. Chibambwe Sam Nujoma is in exile.]

[SWAPO plans to boycott the elections. The arrests increased doubt among foreign observers here that the elections would be held free of South African interference, as has been promised.]

Western Warnings
The Pretoria government apparently decided to yield to the key parts of the UN plan in response to warnings that the Western allies might drop their opposition to mandatory economic sanctions, which could cripple South Africa's economy.

South African Foreign Minister Roelof (Pik) Botha, who relayed his government's decision to UN Secretary-General Kurt Waldheim, said he still wanted to negotiate the size of the UN peacekeeping force. But he pledged that those talks would be completed by the end of this month.

Mr. Botha said that his government would still recognize the out-

come of the elections it is holding from tomorrow through Friday in Namibia, and it would assist that details of the UN peacekeeping plan must be acceptable to the local leaders elected.

Mr. Botha met Mr. Waldheim three times last week at UN headquarters, then stopped in Washington.

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'Cambodia Salvation Front' Is Announced by Vietnam

By Henry Kamm

BANGKOK, Dec. 3 (NYT) — The Hanoi radio announced today the formation of a Kampuchean United Front for National Salvation in what it called the "liberated zone" of Cambodia, and it reported that the front had called on the entire people of Cambodia to rise up for the struggle to overthrow the Pol Pot and Ieng Sary clique.

Premier Long Sary are the principal leaders of the Phnom Penh government, and the "clique" designation is the habitual Hanoi phrase for the Cambodian leadership.

The announcement was received by diplomatic analysts here as a decisive step in Vietnam's war against its western neighbor. It portended, in their view, a full-scale Vietnamese military and political campaign to overthrow the Pol Pot regime and replace it with a pro-Hanoi government, and it provides a Cambodian "cover" for the operation.

Diplomatic analysts believe that today's announcement removed any doubt over Vietnam's determination to achieve Mr. Pol Pot's overthrow in defiance of Chinese support of the Phnom Penh regime.

China is Cambodia's sole source of arms and military equipment, and is believed to have a considerable number of military experts among the many advisers it has sent to Cambodia.

Action Stepped Up
With the waning of the monsoon season in recent weeks, Vietnamese armed forces are reported to have stepped up action in the salient they have wrested from Cambodia in the rubber-plantation region northeast of Phnom Penh. This area, the scene of heavy fighting between 1970 and 1975, is assumed to be the principal "liberated zone" described in the announcement.

The Hanoi broadcast did not say when and where the front was formed. It said that more than 200 Cambodians from all walks of life attended the founding conference.

The conference was said to have called "on all peoples, governments and democratic organizations fighting for peace, national independence and social progress to support the just struggle of the Kampuchean United Front."

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Ex-Cult Aides Reveal a Worldwide Network

Jones' Secret Bank Accounts Said to Total \$10 Million

By Robert Lindsey

SAN FRANCISCO, Dec. 3 (NYT) — James Jones, who died with more than 900 followers in Guyana on Nov. 18, left a network of secret bank accounts around the world totaling more than \$10 million, according to former aides.

With his death, a mysterious international battle has begun for the fortune amassed by the People's Temple.

According to his former associates, Mr. Jones had established at least six and possibly a dozen or more accounts in Switzerland, Panama and other countries, using anonymous numbered accounts and dummy corporations to conceal their ownership. One former official of the cult said the total of the fortune might be as much as \$15 million.

Timothy Stoen, a San Francisco lawyer who was once a Jones aide and legal adviser, developed the plan for the international network of secret bank accounts before he defected from the People's Temple.

Mr. Stoen said that Mr. Jones had spoken of channeling the money to the Palestine Liberation Organization. Mr. Stoen suggested that the cult leader might have ordered this in the final hours of his life.

Another former aide said the charismatic leader, a Marxist and once a San Francisco city official, had mentioned giving money as a gift to the Soviet Union if he should die.

Too Heavy
Members of a group of supporters of the Guyana killings said after the deaths they were in their way to the Soviet Embassy in Georgetown, the Guyanese capital, with \$500,000 in cash, but abandoned the money in the jungle. It was too heavy to carry, they said.

Two women — one whom they said was a bank manager and the other a lawyer — were also among the group. Carolyn Layton and Terry Ford, were close financial advisers to Mr. Jones.

Miss Layton, lover of Mr. Jones, was his chief administrator on money matters immediately before his death. Shortly before they saw him, she said, he told her that he had decided to defect and had turned to her for help. Mr. Garry would not identify the woman, but other sources said she was Mrs. Buford.

The FBI, as part of its inquiry into the death of Rep. Ryan, is seeking to identify the cult's bank accounts and determine if any federal laws were broken in the transactions. Once the accounts are located, the ownership of the money — if the money is still in the accounts — must be established.

According to other former Jones aides, young female members of the cult played the principal role in the international banking scheme. They were assigned to open dummy overseas bank accounts; they would then be sent on hastily arranged trips to deposit or transfer money from the accounts. Several accounts were established in Switzerland and Panama, and one account was opened in Romania.

A woman who had taken such a trip said, "We'd walk into these banks in Switzerland, three kids, all girls about 25, and sit down and start talking about all these millions of dollars, and the men wouldn't know what to do."

For Personal Use
She said that one account was established in Switzerland last year, exclusively for Mr. Jones's personal use, and under the name of a dummy corporation, "Bridget." The initial deposit, she said, was \$1.5 million.

Another account was said to have been opened in Panama by a

corporation that included the word "Angelique" in its name.

The cult got the money through collection-plate offerings, the sale of members' homes and other properties, members' Social Security checks totaling more than \$60,000 a month, and a variety of money-raising activities assigned by Mr. Jones to his followers.

A woman involved with the accounting records of the People's Temple said that the organization's income averaged at least \$250,000 a month last year, while she had access to the records. Millions of dollars of the assets were from the sale of homes and properties of members who moved to Guyana or remained in People's Temples in San Francisco, Los Angeles or in Mendocino County, north of San Francisco.

There are already several contenders for the cult's fortune. Members of the People's Temple in San Francisco who did not go with others to Guyana have said they intend to keep their temple in operation and have argued that any assets belong to the congregations.

But since the accounts are not in the name of the cult, legal sources here have pointed out that their

Martial Law Defied

Troops, Protesters Skirmish in Tehran

TEHRAN, Dec. 3 (AP) — Troops fired into the air and used tear gas tonight to disperse thousands of anti-shah demonstrators who marched into the streets to protest in defiance of martial-law regulations.

Facing the troops in groups of 300 to 500 in as many as 18 to 25 different locations in the capital, the Islamic demonstrators, some wearing white shrouds, shouted anti-shah slogans rather than the traditional chants of Moharram, the 29-day Moslem mourning period.

As the troops opened fire, most of the capital was completely blacked out following an earlier threat by power workers that they would cut off electricity if the troops opened fire.

Troops beat up two reporters for Newsweek magazine yesterday and then bailed them off under arrest when they emerged from their hotel to see what was happening on the streets.

The two Newsweek reporters, Lorent Jenkins and Barry Carne, were beaten by troops and dragged away from in front of their hotel in downtown Tehran. A third reporter, Kenneth Clarke of the London Daily Telegraph, was also detained. All three were later released. None was reported seriously injured.

For the last two nights, the anti-shah demonstrators have been out in the streets during curfew hours and have clashed with the troops. At least 12 people have been reported killed so far. More than 50 have been wounded and some 250 have been arrested.

Fighting Continues
This week's demonstrations were called by the self-exiled religious leader Ayatollah Ruhollah Khomeini to demand the resignation of Shah Mohammed Reza Pahlavi.

The two-hour battle between troops and demonstrators, in various parts of the city and in complete darkness, continued at 10:30 p.m.

So far no one has been reported killed in tonight's skirmishes. Earlier five persons were officially reported shot and killed and 20 injured in clashes with troops who opened fire yesterday when a crowd refused to disperse after the 9 p.m. curfew had gone into effect. About 145 persons were taken into custody.

During the day today, protesters circulated through downtown Tehran tying up traffic and taunting troops. Soldiers firing into the air and swinging rifle butts chased them down streets and alleyways, injuring several.

Officials of the city's martial-law government said the deaths occurred last night when soldiers fired on a crowd that was leaving a mosque after the 9 p.m. curfew. Anti-government slogans blaring from loudspeakers on the mosque's roof incited the crowd, which refused to disperse, the officials said.

The crowd had been praying at services marking Moharram, which began yesterday. The opposition has called for stepped-up demonstrations and strikes to make the holy month a showdown period between the shah and his foes.

There were reports of rioting in

the southern city of Isfahan, but no deaths were reported. Iranian students in Paris claimed that at least two students died in clashes with police in Mashhad, in northeastern Iran.

The military government banned public religious processions during Moharram and said it would crack down "mercilessly" on street disorders.

The government hopes to keep the fervor of Moharram from turning into the kind of anti-shah riots that have killed a reported 1,000 to 2,000 Iranians this year.

Religious-inspired protesters oppose the shah's westernizing social reforms, which they say have corrupted Iran's traditional Moslem values.

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Begin Softens Stand

Israel May Resume Treaty Negotiations

by William Claiborne

JERUSALEM, Dec. 3 (WP) — Prime Minister Menachem Begin submitted to his ministers today a draft letter responding to Egyptian President Anwar Sadat in which Israel agrees to resume peace negotiations for an exchange of side letters to the draft compromise treaty, but is not willing to reopen substantive issues already accepted by the Cabinet.

By agreeing to return to the bargaining table in Washington, Mr. Begin backtracked on a firm "take it or leave it" policy laid down by Foreign Minister Moshe Dayan on Nov. 22. Mr. Dayan said then that the U.S.-proposed compromise draft treaty that has been accepted by Israel is a "sealed package" and that there is nothing more to talk about in Washington.

Mr. Dayan, who heads the Israeli delegation, is known to oppose returning to the peace talks as long as Egypt insists on making changes in the body of the draft treaty. However, the foreign minister has expressed a willingness to talk with the Egyptians about unresolved issues as long as they are dealt with in side letters written on the basis of the U.S. compromise draft.

Mr. Dayan is scheduled to leave Wednesday on an official three-day visit to Switzerland, where he is expected to discuss the possibility of a resumption of talks this week. The Cabinet met today under the guise of a ministerial security committee, a play which makes all discussions classified and provides criminal penalties for ministers who disclose details of the deliberations.

Begin's Position
However, it was understood that Mr. Begin told his ministers he does not object to the resumption of talks on the condition that they do not focus on the text of the treaty, but instead are limited to an accompanying letter of understanding.

The two principal unresolved issues are:

Khalil, Vance Confer
WASHINGTON, Dec. 3 (WP) — Amid signs of a new effort to get the stalled Middle East peace talks moving again, Egyptian Premier Mustapha Khalil conferred with

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Under New Air Accords

Scheduled Europe Routes Given to 2 U.S. Charters

By Carol Shifrin

WASHINGTON, Dec. 3 (WP) — The Civil Aeronautics Board has decided to give Braniff International and two charter airlines — World Airways and Trans International Airlines — authority to begin scheduled air services to Europe.

According to agency officials, Braniff will be given routes from Boston, Dallas-Fort Worth and Detroit to Paris, Brussels and Amsterdam. World will get a route from Los Angeles to Amsterdam, and TIA will be granted the authority to fly from Bangor, Maine, New York, Los Angeles, and Oakland to Paris and Amsterdam.

The route awards, made under the board's exemption authority, allow the airlines to serve some of the routes that Pan American World Airways recently dropped and also take advantage of liberalized air agreements recently signed with The Netherlands and Belgium allowing the U.S. to designate to the two countries as many airlines as it wishes.

The decision also augments routes to Belgium and The Netherlands that were granted in September to two scheduled and two charter airlines. Under that grant, National Airlines will be starting service to Amsterdam from New York this month.

The board's new route decisions were made at a meeting closed to the public because members would be discussing sensitive international negotiations. The formal order will be released next week.

The board put off action on applications to fly to West Germany under a recent agreement giving the

United States the right to name more airlines to serve West German cities. The board said that it was disposed to grant such applications, but invited other airlines to apply, setting Dec. 21 as a tentative target date.

The board also adopted a program to finance public participation in board proceedings. While noting that the public always has had the right to participate, it said that the cost and time requirements made it difficult for all but those who had an immediate financial interest: primarily the airlines and the localities.

Under the program adopted by the board, groups wanting to participate in a board proceeding may immediately apply for financial assistance. Applications would be evaluated by a three-person panel.

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Mexico Earthquake

Destroyed a Town

MEXICO CITY, Dec. 3 (UPI) — The earthquake that jolted southwestern Mexico last week leveled a town of 1,200 persons near the Pacific Coast in the state of Oaxaca, authorities have disclosed.

San Baltazar Loxicha, 350 miles southwest of Mexico City, lost its church, city hall and 90 percent of its homes when two sharp earthquakes and two aftershocks rocked the town on Wednesday, officials said Friday. No deaths were reported.

Allegations Were Checked

U.S. Defends Its Actions In People's Temple Case

By Graham Hovey

WASHINGTON, Dec. 3 (NYT) — The State Department, stung by persistent charges that it ignored warnings of the plan for mass suicide of the People's Temple members in Guyana, issued a statement last week defending its actions and those of the U.S. Embassy in Georgetown.

Thomas Reston, a department spokesman, said Friday it was "absolutely clear from the record" that the State Department and the embassy had "discharged their responsibilities fully and conscientiously" within the limits imposed by law and constitutional guarantees of the right of privacy.

"In fact," he said, "we believe it is safe to say that more attention has been devoted by the United States government to this particular group of Americans living overseas over the past 18 months than to any other group of Americans living abroad of the same size."

In five visits to Jonestown, he said, U.S. consular officers checked allegations of mistreatment involving more than 50 individuals in the People's Temple settlement.

Secret Cult Accounts

(Continued from Page 1)

claim might encounter problems. Other claims are expected from the families of people whose homes and other property was expropriated from them by the cult, and several lawsuits, seeking the money, are being prepared.

Mr. Sioen, the former Jones legal adviser, said that he developed a plan in which a branch temple would be established as a corporation in a foreign country and the money would then be sent on the bank's wire to the corporations in an "above-board operation."

Mr. Sioen said that he also suggested that Mr. Jones establish a bank stock corporation and keep the stock himself in Nassau, the Bahamas, to keep ultimate control of the money. Mr. Sioen added that the accounts were set up so that there would be no direct link to Mr. Jones.

Meanwhile, New York Times reporter John Crewdson reported that Treasury Department agents in San Francisco were being told 18 months before the murder of Rep. Ryan that members of the People's Temple were illegally shipping large quantities of guns and cash from the United States to Jonestown, according to knowledgeable sources.

About 40 firearms, including some of those apparently used in last month's murders, have been recovered by U.S. agents in Guyana. Law enforcement sources said that a preliminary check of the serial numbers on the weapons indicated that they had come from the United States.

According to sources, neither Mr. Jones nor anyone else connected with the shipments obtained export licenses for the firearms or signed the declarations that are required for the overseas transfer of more than \$5,000.

Jeanne Mills, a cult member until 1975, said that in early 1977 she got in touch with agents of the Customs Bureau, which is part of the Treasury Department, in San Francisco to tell what she knew of the illegal shipments.

Israel Stand On Talks

(Continued from Page 1)

Secretary of State Cyrus Vance yesterday, and then postponed his departure from Washington until tomorrow.

Mr. Khalil, who met with President Carter for three hours Friday to explain President Sadat's thinking on an Egyptian-Israeli peace treaty, had been scheduled to leave Washington yesterday for Romania and the start of a week-long European tour.

His sudden change of plans, announced after a two-hour session with Mr. Vance, appeared to reflect mutual agreement that he should be available for further talks with U.S. officials after the Israeli Cabinet meeting today.

In a brief talk with reporters after the meeting, Mr. Khalil said he was staying because "I would like to continue the discussions with Mr. Vance." He acknowledged that Egypt "would like to see the negotiations resumed," but added that no decisions had been made on when or where the U.S.-mediated talks might get moving again.

Aide Says U.S. Won't Deport Vietnam Officer

WASHINGTON, Dec. 3 (NYT) — The Carter administration has no intention of deporting a former Vietnamese general whose summary execution in Saigon of a Viet Cong prisoner in 1968 was shown on television, a Justice Department official said.

"There is no prospect of him being deported," Terry Adamson, the Justice Department's director of public information, said Friday about the case of former Gen. Nguyen Ngoc Loan.

He said that Attorney General Griffin Bell shared President Carter's view that "such historical revisionism was folly." The attorney general also is likely to halt an immigration proceeding to rescind the former general's permanent resident status, the first step toward citizenship, Mr. Adamson said.



A block-long wall of posters forms the backdrop for a bus-stop conversation in Caracas.

Venezuela Goes to Polls After U.S.-Style Campaign

CARACAS, Dec. 3 (AP) — Venezuelans voted today for a new president and congress, after a high-powered political campaign with a distinctly U.S. flavor.

The 10-candidate presidential battle ended last week with an avalanche of U.S.-designed television ads and a frenzy of street marches. But the country was reported calm today as long lines of voters went to the polls.

All Venezuelans 18 years of age and older are required to vote under penalty of fines of up to \$500 or other punishment.

The race for the five-year presidential term was considered a toss-up between two major candidates, Luis Ordaz, 54, of the governing Democratic Action Party and Luis Campins, 53, of the Social Christian Party.

The two, whose mildly leftist parties are almost identical in ideology, were expected to collect between 70 to 80 percent of the total vote.

The incumbent president, 56-year-old Carlos Perez of the Democratic Action Party, is barred by law from running for re-election for 10 years.

The voters also were choosing 183 members of the Chamber of Deputies, 42 members of the Senate and 20 state legislatures.

Hanoi Unveils 'Cambodia Salvation Front'

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chean people." Communist Cambodians have discarded the Frenchified spelling of their country's name and reverted to the earlier "Kampuchea," which is pronounced kam-poo-cha, with the stress on the second syllable.

Hanoi reported that the conference elected a 14-member central committee of the front and named Hen Somrim as its leader. Mr. Hen Somrim was described in the broadcast as a former member of the "eastern region party organization" and political commissar and commander of an army division.

The front also set up a news agency and a radio station called the "Voice of the Kampuchean People," Hanoi reported.

In a ceremony marking the election of the central committee, Hanoi Radio said, Mr. Hen Somrim handed over the front's banner to the front's military units, which were referred to as the "Kampuchean Revolutionary Armed Forces." The Phnom Penh regime's army is called the Revolutionary Army of Kampuchea.

The new banner was described as red with 5 yellow towers. The Phnom Penh flag shows a 3-towered yellow temple reminiscent of the famous temple of Angkor, on a red background.

These similarities, as well as a declaration attributed to 2,000 persons said to have attended the meeting of the central committee pledging themselves "to bring the Kampuchean revolution to a total success," strongly suggest that the Vietnamese-sponsored group will lay claim to being the legitimate representatives of the two sides in the war against the U.S.-backed regime and will describe the Pol Pot government as Chinese-supported usurpers.

Refugee Boat Capsizes Off Malaysia Coast

KUALA LUMPUR, Malaysia, Dec. 3 (AP) — Rescue teams resumed their search today for 98 persons missing from a Vietnamese refugee vessel that capsized yesterday in the South China Sea off Malaysia's northeastern coast, causing at least 44 persons to drown.

The wooden fishing boat broke apart about 100 meters off the coast of Pantai Raj, near Pasir Puteh, about 300 kilometers northeast of here. Bodies of the victims found so far were buried today. There were 147 survivors.

The vessel arrived Friday morning with 289 passengers — 156 children, 46 women and 87 men. The dead were mostly children, the chief police officer of Pasir Puteh district, Fauzi Bin Shazri, said. Police had barred the vessel from landing and two people who swam ashore Friday were ordered back to the boat.

One child died last night in the youth club center near Pantai Raj. The other 43 bodies buried were found in the sea or washed ashore.

Police said that survivors had said two fishing boats left Vietnam on Nov. 26, and that one of the boats later developed engine trouble in the South China Sea. All were then transferred to the 40-foot boat which in turn capsized after being buffeted by waves.

Eritrea Rebels Say Soviet Ships Shelling Them

ROME, Dec. 3 (Reuters) — Soviet ships in the Red Sea are bombarding rebel positions and disembarking Ethiopian troops and armored cars in Eritrea, the Eritrean People's Liberation Front said today.

A spokesman at the front's Rome office said the landings at Marsa Ghibbi, near the Sudan border, were apparently the prelude to a thrust against rebel strongholds in the far north of the Ethiopian province. He said there were unconfirmed reports that front forces had destroyed 20 Soviet-made and Soviet-driven armored cars and had captured five more during heavy fighting yesterday.

The battle is still going on, and the Ethiopian forces are trying to dismember. So far we have succeeded in containing them but the enemy forces are overwhelming," the spokesman said.

The rebels have repeatedly claimed that Ethiopian troops were directed and aided by Soviet and Cuban forces. Ethiopia has always denied this but admits receiving large quantities of Soviet arms, which it is using to end the protracted independence struggle in Eritrea.

Laotian Officials Denounce 'Plot'

BANGKOK, Dec. 3 (Reuters) — Laos yesterday celebrated its third anniversary as a Communist republic with a mass rally in Vientiane at which a speaker accused "imperialist and international reactionaries" of trying to oust the government.

"They have implemented schemes to start a riot aimed at overthrowing our new regime," a Vientiane provincial official, Phao Phimpachan, said. The speech was carried over Radio Vientiane, monitored here. "Imperialism and international reactionaries" are the usual Laotian terms for the United States and China.

Last week the vice chairman of the Laotian Communist Party Central Committee, Faydan Lebiay, said resistance by Mao hill people in central Laos had been fomented by these forces.

House Panel Finds Hints, But No Proof of King Plot

WASHINGTON, Dec. 3 (AP) — After a two-year investigation, the House Select Committee on Assassinations found strong suggestions of a conspiracy in the death of civil rights leader Dr. Martin Luther King Jr., but the suggestions did not go so far as clear proof that anyone other than James Earl Ray was involved.

The panel completed a month of public hearings on the assassination Friday, and Rep. Louis Stokes, D-Ohio, committee chairman, said he believes the inquiry found "the outline of a conspiracy."

But, he said, "I'm not sure we proved conclusively that there was a conspiracy."

The next step calls for committee members to reach detailed conclusions on the investigation, in which the staff conducted 2,686 interviews, traveled to dozens of cities in the United States and abroad and issued 260 subpoenas.

Final Report

A final report will cover the King assassination and the shooting of President John F. Kennedy, whose slaying was also investigated by the committee. The report is expected next year.

Committee counsel Robert Blakey has said it is likely that one or both of Ray's brothers, John and Jerry, played some part in planning or carrying out Dr. King's assassination on April 4, 1968, outside a Memphis, Tenn., motel.

Ray is serving a 99-year prison term for the assassination. In 1969 he pleaded guilty to the killing, but he recanted shortly thereafter and now claims he was an unwitting participant in a conspiracy.

The committee spent time Friday asking John Ray about bank robberies in which he allegedly participated, but he never asked him directly if he had a role in the assassination.

His lawyer, James Lezar, said John Ray would have denied any involvement if he had been asked.

At the time of the King killing, John Ray managed the Grapvine, a St. Louis bar that committee investigators say was frequented by segregationists who, they say, incited an offer of \$50,000 for anyone who would kill Dr. King.

John Ray said he never heard any such discussions in the bar.

Much of Friday's final hearing was devoted to bitter sparring between Rep. Stokes and lawyer Mr. Lezar.

Mr. Lezar accused Rep. Stokes of seeking to "railroad" his client and of denying him legal rights normally afforded witnesses in an investigative hearing.

Rep. Stokes threatened repeatedly to hold Mr. Lezar in contempt or have him removed from the committee room.

"This is sickening," Mr. Lezar said to Rep. Stokes. "You have not let me get a word in edgewise."

"You are a disgrace," replied Rep. Stokes.

Mr. Lezar shot back, "I will ask you to recess and step outside and make that statement where you do not have congressional immunity."

Rep. Stokes later withdrew his characterization of Mr. Lezar, but the legal disagreements between the two continued.

Among the final witnesses the day before was Jerry Ray, who had a black eye obtained earlier in the week in St. Louis during his arrest inside a private home on charges of robbery and attempted assault.

Jerry Ray explained his arrest to the committee by saying, "I wandered into the wrong house."

He told the committee he had nothing to do with Dr. King's assassination.

News Analysis

Options Open as Boumedienne Fades

By Flora Lewis

PARIS, Dec. 3 (NYT) — The eclipse of Houari Boumedienne, Algeria's steady 51-year-old leader, suddenly revealed how completely he had concentrated power in his own hands and how fully Algeria's activist role in world affairs was a reflection of his own personality.

It was known, of course, that he had no prime minister or vice president, no minister of defense or chief of staff. But it was not until he disappeared in Moscow for nearly two months, and then flew home to Algeria apparently fatally ill, that the considerable impact of his personal role became clearly evident.

Today Col. Boumedienne lay in a coma, suffering kidney complications after cancer surgery, attended by doctors from several countries. Whether he would ever lead Algeria again was in grave doubt.

[Col. Boumedienne remains gravely ill but doctors think they might be able to bring him out of his deep coma, the official Algerian news agency APS said last night, in its first medical bulletin since Col. Boumedienne suffered a serious relapse on Monday.

[Reuters reported that APS said the president's condition remained stationary. Earlier yesterday, APS referred for the first time to the "post-Boumedienne" period in the country.]

Khomeini to France

French observers said everything came to a halt during his absence in Moscow. If the Iranian religious leader Ayatollah Ruhollah Khomeini went to France, it is probably because Col. Boumedienne was not in Algeria. The Iranian had intended to lead his campaign against the shah from a Moslem country, but recently Algerians could or would take the decision to offer him a refuge and a platform while Col. Boumedienne was away.

The Council of the Revolution — eight men of the original 26 — is all there is to decide the shape and the direction of Algeria "after Boumedienne." No one towers clearly above his peers, no one has a sufficiently reliable personal power base to assure his succession. Col. Boumedienne saw to that.

There will have to be alliances and possibly intrigues before the new power hierarchy, and the policy that goes with it, emerges. Reportedly, a division is already developing between hard-line radicals and moderates.

King Hassan II of Morocco is convinced that the hit-and-run Moroccan-Algerian war over the Western Sahara will disappear when Col. Boumedienne dies. He believes it was so much a personal crusade of the Algerian leader that a settlement with Polisario — the Saharan rebel group — will not be difficult once his support for their operation is gone.

Whatever the future leadership, the period of uncertainty and indecision imposed by the issue of succession necessarily reduces Algerian influence and activism beyond its borders. The role of Algeria in the Arab world and the Third World will come into question.

Algeria, a country of mixed Arab and Berber population, far from the Palestinian front, could never quite play the role that the late Gamal Abdel Nasser sought for Egypt, but Col. Boumedienne made an effective effort and went a long way.

Partly, that was made possible by the romance of revolution. But the time of decolonization is over. The war in Vietnam has ended and new Asian conflicts have arisen to blur the once satisfyingly simple symbols of struggle between Western oppressors and the oppressed of the world.

The role of Algeria as a leader and focal point of the struggle was already receding as the world moved on to more complex problems: development, regional hostilities, and East-West relations that are neither cold war nor armistice. Even in the North-South confrontation, Algeria's commanding position diminished as the issues shifted from rhetoric and exhortation to specifics about the terms of trade, prices and capital transfers.

The aura of revolution clung to Col. Boumedienne in a way less likely to be true of his successors, even if they were his comrades-in-arms. They will not arrive as victors who overcame a colonial regime, but as governors who must tend Algeria's ailments and nourish its flagging spirit.

Whatever leadership takes hold, it is likely to have to concentrate on Algeria's problems rather than on "revolutionary" aspirations, somewhat as Anwar Sadat, succeeding Nasser, found it necessary to put Egypt first.

Nations with the Soviet Union, Europe and the United States could be reconsidered.

Col. Boumedienne never put his country so squarely in the Soviet

camp as Algerian oratory sometimes made it sound, although the naval base at Mers-el-Kebir has been available to the Soviet Mediterranean fleet. It would make an important strategic difference to the West if the Russian navy were allowed to establish itself fully there — or were fully excluded.

Natural Gas Link

The enormous natural gas deal between Algeria and the United States, which eased their relations, is likely to be sustained, since it is of concrete interest to Algeria.

A whole series of issues in which Algeria has been a prominent protagonist could also be affected by Col. Boumedienne's departure, if policy decisions shifted from a base of affinity and ideology to one of firm national interest.

Algeria is an influential member of the Organization of Petroleum Exporting Countries (OPEC) and a leader of the nonaligned bloc and the continuing North-South negotiations. It was Algeria which launched the insistent call for "a new world economic order."

The extreme personalization of the regime by Col. Boumedienne means that these and other questions could be re-examined by new eyes, with scope for new approaches that is rarely open in countries ruled by institutions. Algeria's geography, its population and its resources would continue to make it significant, but perhaps in a far less dramatic way.

Lebanon Rightists Confirm Airfield, Harbor Projects

BEIRUT, Dec. 3 (AP) — Rightist Christian militias confirmed yesterday that they are building an airfield and a harbor in south Lebanon beyond UN controlled areas north of the Israeli border.

This confirmation was made by Maj. Saad Haddad, commander of the Israeli-backed militias, in an interview published by the independent Beirut daily *Al Nahar*.

"We need the seaport to ensure communications between our areas and the Christian hinterland in north Lebanon," Maj. Haddad said. "The airport is needed to ensure communications with the rest of the world."

Maj. Haddad denied that Israel is helping his forces build the airfield near the town of Khiam just below Mount Hermon, two miles north of the Israeli border.

He also denied that Israel was helping his forces to build a harbor at the Lebanese Mediterranean village of Iskandarouna, three miles north of Israel, and about 30 miles west of Khiam.

Lebanon's Parliament speaker Kamel Assad protested Friday to the United Nations that Israel is building the air and naval facilities for its own military purposes and for renegade rightists.

Mr. Assad complained to UN Secretary-General Kurt Waldheim that UN peacekeeping forces were doing nothing to prevent the construction on the southern edges of their area of operations.

Israel handed a six-mile deep zone along the 59-mile-long frontier in south Lebanon to Maj. Haddad's men to form a security belt on its northern flank against Palestinian guerrillas.

The hand-over was made in June, when Israel completed its withdrawal from south Lebanon after invading the region in March. The UN Security Council formed a 6,000-member interim force in Lebanon and sent it to superintend the Israeli withdrawal and help the Lebanese government re-establish state authority over the region.

Troops Face Shah's Foes

(Continued from Page 1)

society. Leftists, students and other political dissidents have joined in the protests to demand a relaxation of the shah's autocratic rule.

Moharram marks the martyrdom in 614 A.D. of Imam Hussein, grandson of the prophet Mohammed and founder of the Shiite Moslem sect, to which most Iranians, including the shah, adhere.

The bazaar, the heart of Tehran's commercial life, was closed as usual for the first 10 days of Moharram.

Strike Call Fails

From his base in Paris, Ayatollah Khomeini, spiritual leader of Iran's 52 million Shiites and symbol of the anti-shah movement, had called for a general strike in Iran beginning yesterday. But the strike appeared to be failing today. Grocery stores, pharmacies and other shops were open today, a normal working day in Iran. Tank trucks driven by soldiers instead of striking drivers kept gasoline stations supplied. Banks remained closed, apparently in fear of attack by rioters.

The publishers of Tehran's seven major national daily newspapers, struck by their editorial employees since Nov. 6 in a protest over censorship, said today they were going out of business immediately. The publishers of the papers, which had a combined circulation of about a million, said they no longer had money to pay their other employees.

In Paris today, Ayatollah Khomeini repeated his call for Iranian troops to desert and "ally themselves with the people."

But the shah received a rousing welcome from troops when he visited the Tehran air base today. Thousands of soldiers shouted, "Long live the shah!" Soldiers waving rifles over their heads chanted, "We will kill our enemies!"

The daily violence in Tehran has caused many shops to close early and has spread fear among the city's 5 million residents.

In a fashionable part of Tehran today, a mob started an anti-shah demonstration and tied up traffic. Jittery troops fired into the air to scatter them as frightened residents crouched on the pavement or ran for safety.

Takhte-Djamchid Avenue, where the U.S. Embassy is situated, was heavily guarded by Iranian troops. Protesters had tried to storm the embassy in a major rioting Nov. 5 but were driven back. Embassy officials said there had been no concerted violence against the walled compound since then.

Many of the shah's opponents direct their protests against the United States for its support of the monarch's pro-West government.

S. Africans Await UN

(Continued from Page 1)

on his way home for talks with President Carter and Secretary of State Cyrus Vance.

Mr. Carter warned the South African that "real problems" — sanctions, apparently — would be in the offing if his government used the internal elections as a way of repudiating the UN plan.

The foreign minister discussed his New York talks with Prime Minister Pieter Botha, and the government gave its final reply to Mr. Waldheim yesterday, Mr. Waldheim said in a report to the Security Council today.

The Security Council meets tomorrow, but as a result of South Africa's concession the Western powers were expected to maintain their opposition to black African demands for a comprehensive economic embargo against Pretoria.

The negotiations which must be completed by the end of the month center on the UN peacekeeping force to be posted in Namibia for a seven-month period before internationally supervised elections.

Mr. Waldheim has proposed a maximum of 5,000 troops plus 2,500 other personnel for logistics and support. South Africa has insisted that this force is too large — apparently because it believes that any UN presence will be seen as support for anti-government SWAPO guerrillas.

Bombs Wound 15

WINDHOEK, South-West Africa, Dec. 3 (Reuters) — Fifteen persons were injured in two bomb attacks in central Windhoek yesterday. Another two bombs found at the railway station and at the office of a South African building society were defused by police.

The more serious blast was at a supermarket, where 13 people were hurt, most of them by flying glass. The second was under a car, slightly injuring two young girls. Roads were closed and buildings evacuated as police searched for further bombs.

2 Airlines Get Routes

(Continued from Page 1)

on the basis of the group's financial need, a comparison of its financial interest in the outcome of the case with the burdens of the participation and the application's potential contribution to the case.

Congress appropriated \$150,000 specifically for the program.

The CAB also adopted a "lottery" procedure for processing applications for future "unused" routes, eliminating a repetition of the long line of airline representatives that developed during a week in October.

'Kids for Free'

CHICAGO, Dec. 3 (UPI) — Trans World Airlines will offer a "kids for free" fare during February and March, allowing one child under 12 years of age to fly free anywhere in the United States when accompanied by an adult.

TWA has announced a "business vacation" fare that will permit any passenger buying a full-fare coach ticket to take one other person along at 50 percent of the full-fare.

WATHER

ALLIANCE	C	F	showers	MADRID	C	F	rain
AMSTERDAM	2	36	rain	MILAN	10	50	rain
ANKARA	2	36	rain	MONTREAL	10	50	rain
ATHENS	2	36	rain	MOSCOW	10	50	rain
BELGRADE	2	36	rain	MUNICH	10	50	rain
BELIN	2	36	rain	NEW YORK	10	50	rain
BOMBAY	2	36	rain	NICE	10	50	rain
BURBANK	2	36	rain	OSLO	10	50	rain
BUSAN	2	36	rain	PARIS	10	50	rain
CASABLANCA	2	36	rain	ROME	10	50	rain
CHICAGO	2	36	rain	STOCKHOLM	10	50	rain
COSTA DEL SOL	2	36	rain	TEHRAN	10	50	rain
DUBLIN	2	36	rain	TEL AVIV	10	50	rain
HONGKONG	2	36	rain	TOKYO	10	50	rain
FRANKFURT	2	36	rain	TUNIS	10	50	rain
GENEVA	2	36	rain	VIENNA	10	50	rain
HELSINKI	2	36	rain	WASHINGTON	10	50	rain
ISTANBUL	2	36	rain	ZURICH	10	50	rain
LAS VEGAS	2	36	rain				
LONDON	2	36	rain				
LOS ANGELES	2	36	rain				

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By U.S. Defense Ex-Aides

Balance of Terror Is Seen Lopsided in Soviet Favor

By Drew Middleton

NEW YORK, Dec. 3 (NYT) — Two former Defense Department officials have said that the nuclear balance of terror is "seriously lopsided," so much so that in a confrontation with the Soviet Union the United States would seek "an escape hatch" as the Russians did in the Cuban missile crisis of 1962.

The former officials, T.K. Jones and Scott Thompson, painted this alarming picture of the thermodynamic balance in an article in Orbis, a journal of international affairs. The article reflected their view of the military meaning of the second U.S.-Soviet treaty to limit strategic arms, which is now being negotiated.

The credibility of a U.S. retaliation to a Soviet first strike against U.S. forces has been weakened, the authors contend. A Soviet strike against U.S. nuclear forces, under the force levels projected for 1985 in the second strategic arms agreement, they wrote, would mean that between 6 million and 14 million Americans would die, leaving 144 million still "at risk," who could be killed by a third Soviet strike against U.S. cities. The other 40 million to 50 million Americans would be in no danger from a nuclear strike because they would not be near industrial or urban areas.

U.S. Risk Held Greater
The Russians "could have as few as 10 million people at risk, depending on how well they chose to protect," the authors contend. Because the United States is the more developed of the two countries, the authors said, it has more valuable industrial targets in a nuclear war than would the Soviet Union.

The authors accepted the conclusion that the United States has a "Polaris Fault" in its nuclear arsenal.

Polaris Fault Is Revealed

(Continued from Page 1)

successful test, production was begun on the components so that the whole A-1 missile fleet could be changed over. The job, sources said, was finished in 1968.

Defense Secretary Harold Brown said that in 1958, director of the Livermore laboratory where the Polaris program was designed. When the Polaris program was turned up in 1966, he was then secretary of the Air Force. A spokesman said Friday Mr. Brown did not want to comment on the Polaris program.

An attempt to reach Robert McNamara, then secretary of defense and now president of the World Bank, was unsuccessful. President Lyndon Johnson is said to have been "aware of the situation" at the time.

The first public indication of the Polaris problem came last Aug. 15 when a letter to President Carter from the scientists who were associated with the Los Alamos weapons laboratory.

They cited it in attempting to make a case for a comprehensive test ban — one that would not permit any underground nuclear tests. In their letter, the scientists said, "One Polaris warhead problem could readily have been solved without the change of nuclear systems."

This statement irritated Livermore scientists in two ways. Their weapon was being cited as having a problem, and most of them believe continued weapons testing is needed.

Democrats to Join Ranks Of Credit-Card Promoters

By Adam Clymer

WASHINGTON, Dec. 3 (NYT) — The Democrats are joining the Republicans in promoting credit cards and plan to take a commission on the charges a card-carrying Democrat runs up.

President Carter's son Chip is scheduled to receive the first Democratic Visa card at the party's mid-term conference in Memphis next weekend. Delegates to the conference have received a mailing asking them to sign up for Democratic Visa cards and telling them that their purchases with the card will give the party an average of \$5 a year for each card holder.

The details may not stay confidential long. Sen. William Proxmire, chairman of the Committee on Banking, Housing and Urban Affairs, announced Friday that he would hold a hearing Dec. 27 on the propriety of political parties engaging in credit-card solicitation.

"Such arrangements may be perfectly legal, but they do raise certain questions," he said, focusing on the recent announcement of Republican plans to promote Visa cards through the Manufacturers



LOWERING INFERNO — Firefighters in Newport, R.I., dive for safety as a flaming three-story building begins to collapse on top of them. No serious injuries were reported.

U.S. Planning to Forecast World Crops With Satellite

By Thomas O'Toole

WASHINGTON, Dec. 3 (WP) — The Carter administration is planning a \$300 million project that would use satellites to forecast worldwide harvests, ranging from rice in Vietnam to wheat in the Soviet Union.

The project has the tentative approval of at least a dozen countries whose crops would be involved and the definite approval of the White House, which is understood to have allocated \$30 million to get the project under way in fiscal 1980.

The project still has no formal name, but will make use of the existing Landsat satellite and a follow-on Landsat to be put into orbit late in 1980. Its aim is to forecast harvests of wheat, barley, rice, soybeans, corn, cotton and sunflowers in all the major crop-growing regions of the world.

It would cost an estimated \$300 million over its first six years. Most of the cost would be picked up by the Agriculture Department and the National Aeronautics and Space Administration. The Interior Department, the State Department and the National Oceanic and Atmospheric Administration would also pay portions of the cost.

At least one reason for undertaking such an ambitious project is the failure by the Agriculture Department and the Central Intelligence Agency in 1977 to forecast correctly wheat harvests in the Soviet Union and soybean harvests in Brazil.

Both harvests were badly overestimated, with the result that the United States was ill-prepared for the heavy foreign buying of both crops here — buying that led to higher prices for U.S. consumers.

The State Department's Agency for International Development is also backing the project, in part because it would provide an early warning of impending crop disasters around the world.

The satellite forecasting project is the outgrowth of an experiment run a year ago by NASA and the Agriculture Department called Large Area Crop Inventory Experiment. That involved the use of the Landsat satellite to forecast wheat harvests.

Sources inside the Agriculture Department described that project as "mixed success," underestimating by 15 to 20 percent spring wheat harvests in Canada and the United States but coming within 1 percent of the spring wheat crop for the Soviet Union.

Photographs taken by Landsat with the permission of the Soviet Union were analyzed together with weather information provided by the Russians to produce a forecast of 91.4 million tons at least a month before spring harvest began. The Russians said their spring wheat harvest was 92 million tons.

In explaining the dramatic difference between the 1-percent error on the Soviet crop and the error of 15 to 20 percent for the U.S. and Canadian crops, agriculture officials said the Soviet crop was easier to forecast from satellite pictures because their fields are larger and they don't grow other crops like barley and alfalfa alongside wheat.

U.S. Budget Unit Orders Major Cuts in New Spending

By Art Pine

WASHINGTON, Dec. 3 (WP) — The president's Office of Management and Budget has ordered major reductions in agency budget requests for key Democratic social programs, holding them below what is needed to offset inflation or, in some cases, under this year's spending levels.

The cutsbacks include a proposed \$2.6 billion reduction in the Labor Department's request for continuing federal job programs as well as sizable slashes in longstanding health, education, energy and transportation programs. There are virtually no new initiatives.

Such major programs as Medicare, Social Security and food stamps, which by law must provide benefits to anyone who meets eligibility standards, are likely to grow with inflation.

The OMB orders, designed to meet President Carter's pledge to keep the fiscal 1980 budget deficit below \$30 billion, represent an initial ruling and are being appealed to Mr. Carter personally by the agencies involved. The deadline for appeal is late tomorrow.

Key administration officials say the president is likely to hold firm on virtually all the OMB-imposed ceilings and probably will insist that agencies make new cuts in other areas if they want to see restoration of the money that OMB cut.

The cutsbacks involving the job programs would slash spending under the Comprehensive Employment and Training Act program to \$8.2 billion, or \$2.6 billion below this year's levels. The move would cut job levels by two-thirds to 267,000 slots.

Budget makers also want to trim spending for youth employment programs to \$882 million, from \$930 million this year. Job slots created as part of this year's antirecession program would be eliminated entirely.

Other cuts include the following: The Department of Health, Education and Welfare has been ordered to hold spending to \$196.2 billion, some \$2 billion less than it asked for and a full \$6 billion below what it would need to keep up with inflation. Those programs affected would be federal aid to education, major government health

programs and the research and operations of the National Institutes of Health. NIH will get only \$2.96 billion, down from \$3.12 billion this year.

The new Federal Energy Department was told to keep its operating budget to \$8.8 billion, rather than the \$10.5 billion the agency had requested beyond one-time start-up costs, with substantial cutbacks in research on coal gasification and oil shale. Among the major reductions are key breeder-reactor and nuclear-fusion programs and construction of a solvent-refined coal plant designed to deal with present pollution problems.

However, OMB did allow some increases in solar energy research. Federal transportation programs would be held below this year's level of \$19 billion, with no increases to cover inflation, if OMB officials have their way. The cutbacks are spread throughout most of the agency's programs.

Budget officials also report scores of smaller cuts throughout all major departments and agencies. For example, the Justice Department lost a bid to beef up the U.S. border patrol as part of a new

effort to stop the entry of illegal aliens. Officials say there also will be some cuts in agricultural programs, although neither the food stamp program nor farm commodity programs are likely to be affected. And Mr. Carter is planning to abolish the U.S. Travel Service, which is designed to attract foreign visitors.

One of the major unresolved issues still is the defense budget. Mr. Carter originally had planned to boost the Pentagon budget by 3 percent above inflation, but the White House has hinted he may be reconsidering after liberals complained the military budget should not be exempt from cuts.

The 3 percent increase is in line with a pledge Mr. Carter made last year at a meeting of the North Atlantic Treaty Organization. Officials now are pointing out that the promise was made contingent on economic circumstances, and inflation — and the need to control the budget — is more critical now than it was last year. Mr. Carter began work on the defense budget today.

Philippine Chief Of Communists Refuses to Plea

MANILA, Dec. 3 (UPI) — The leader of the Communist Party of the Philippines, Jose Maria Sison, refused to enter a plea yesterday at a trial of 93 rebel leaders and followers, and called President Ferdinand Marcos a virtual outlaw for declaring martial law.

Mr. Sison, 37, spoke during his arraignment before a military court that is conducting the rebellion trial in a suburban army camp. The case arose out of an alleged smuggling of war materials from China in 1972.

Besides Mr. Sison, more than 30 defendants refused to enter a plea after their lawyers protested that the tribunal had no jurisdiction to prosecute civilians.

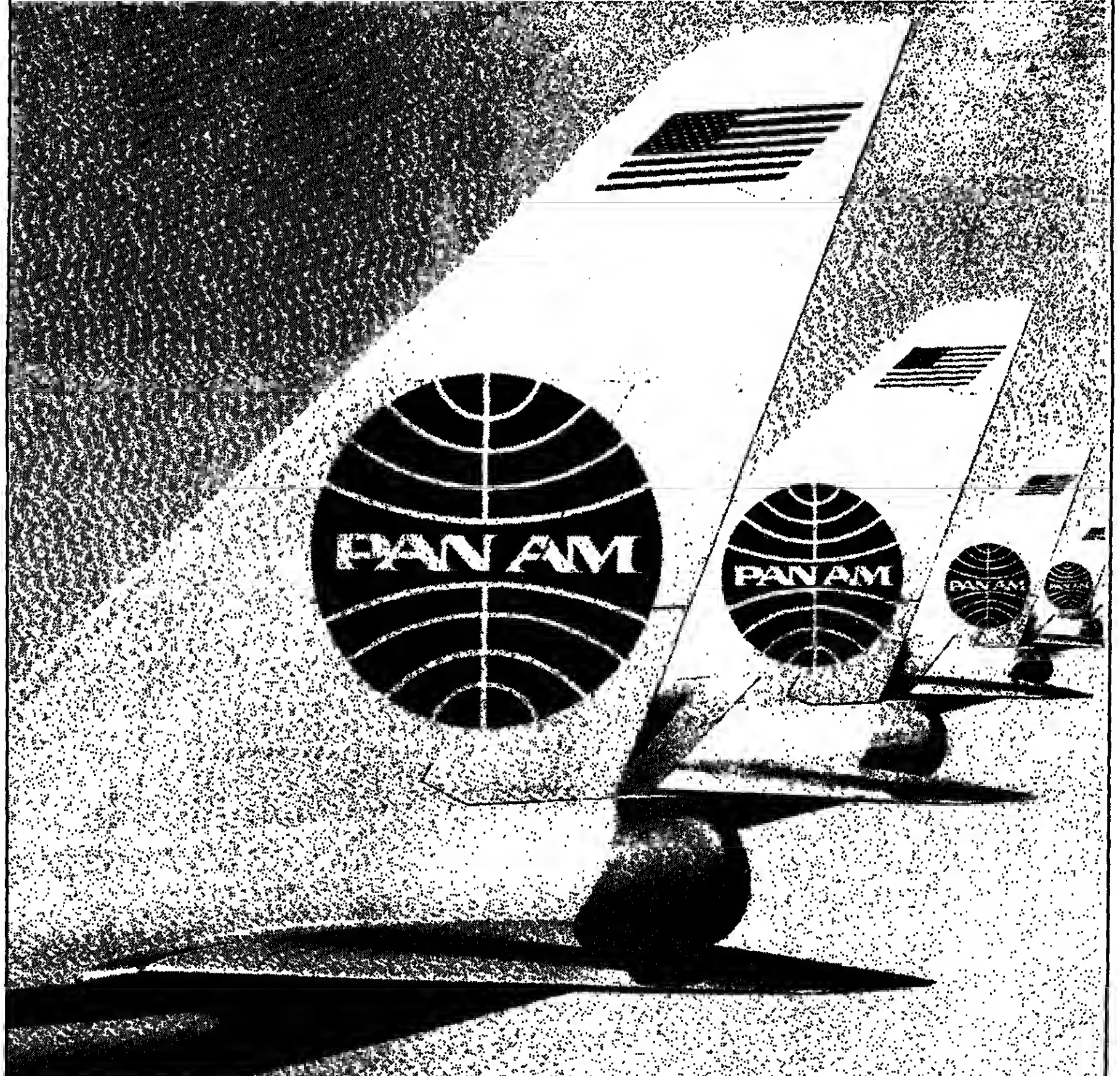
The tribunal earlier rejected defense motions questioning the legality of the proceedings and asking for dismissal of the charges on grounds that military evidence against the accused was allegedly secured through torture.

Abruci Is Released By Italy Kidnappers

BARI, Italy, Dec. 3 (UPI) — Nicola Abruci, a contractor, yesterday was freed by his kidnappers for a reported ransom of 1 billion lire (\$1.18 million) after being held for 42 days.

Mr. Abruci, 42, was pronounced in good health. He told police that his abductors kept him chained in a 40-square-foot room but otherwise treated him well and gave him newspapers.

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Execution Could Bring Violence

Crisis Nears for Pakistan
On How to Handle Bhutto

By William Borders

RAWALPINDI, Pakistan, Dec. 3 (NYT) — As former Prime Minister Zulfikar Ali Bhutto nears the end of his long court battle to save himself from the gallows, Pakistan is coming to what many here regard as a crucial turn in its 31-year history.

Mr. Bhutto's appeal of his murder conviction and death sentence is expected to be completed early next month in the supreme court here. If the death sentence is upheld and carried out, he and his supporters have warned of grave consequences.

"More than my life is at stake," the 50-year-old former prime minister said recently in an appeal written from the small, bleak death-row cell that he has occupied here since his conviction in March for conspiracy to murder a political opponent four years ago. "Make no mistake about it. The future of Pakistan is at stake."

In a form of protest previously unknown in this part of the world, four anti-government demonstrators publicly burned themselves to death last month. Several others survived attempts at self-immolation. Mr. Bhutto's supporters warned that there would be waves of further suicide if he is hanged.

New Suicide Element

The suicides took place in busy market areas in various parts of the country before horrified crowds of thousands. Each of the four, all young men, chanted "Free Bhutto now," doused himself with gasoline and struck a match.

"It is a wholly new element in Pakistan's political struggles," wrote a columnist in the Lahore magazine Viewpoint. "And speaks eloquently of the state of mind in which at least a sizable section of the people finds itself."

The government, in a move apparently designed to contain the street violence, has arrested many leaders of Mr. Bhutto's Pakistan People's Party in recent weeks, including the former prime minister's 25-year-old daughter, Benazir, who is a vociferous and active partisan of his cause. According to reliable estimates, more than 1,000 of Mr. Bhutto's followers are now being held as political prisoners.

But the generals who have ousted Mr. Bhutto in a coup 16 months ago are thought to feel that only his death will end the threat he represents to them.

Gen. Mohammed Zia ul-Haq, the president and chief martial-law administrator, has said several times recently that if the supreme

court upholds the death sentence, he will not commute it, despite the appeals for clemency that he has received from a number of governments, including that of the United States.

Gen. Zia, a tough professional soldier in the spit-and-polish tradition of the British-trained Pakistan Army, has made no secret of his distaste for Mr. Bhutto and for the "ghastly and horrible crimes of the Bhutto era," which he says he discovered only after the coup that brought him to power.

The Zia government is preparing a number of other charges against the former prime minister. If the murder conviction should be overturned, it is considered likely that he will be quickly rearrested on another charge.

"They are determined to get him out of the way," said Yahya Bakhtiar, who was Mr. Bhutto's attorney general and is now his lawyer. Although the former prime minister has not been allowed to attend the appeal session, which has been going on for six months, Mr. Bakhtiar said in an interview that both he and his client were "generally satisfied with the conduct of the judges — we seem to be getting a fair hearing."

Mr. Bakhtiar began his final summation before the eight-man bench on Nov. 18. He says that he will complete it within about two weeks, and that will be the end of the appeal process. It is not known how long the judges will deliberate after that, but a popular guess is two weeks, which could mean final resolution of the case in late December or early January.

Islamization Plans

ISLAMABAD, Pakistan, Dec. 3 (AP) — Gen. Zia announced yesterday a series of steps to place the nation's laws and political-economic life in step with Islamic teachings.

Government offices and organizations will arrange for Moslem prayers to be said during office hours, he said.

Special Islamic or Sharia benches would be set up immediately at all high courts and superior courts to strike down laws that go against Islamic teaching.

The Council of Islamic Ideology, meanwhile, would establish new laws dealing with theft, drinking, adultery and protection of religious freedom. Islam provides severe punishments for crimes like theft, drinking and adultery. Thieves can get their left hands chopped off and adulterers are ordered to die.

Reform Rabbi Urges Jews
To Consider Proselytizing

By Kenneth A. Briggs

NEW YORK, Dec. 3 (NYT) — Rabbi Alexander Schindler, president of the congregational arm of Reform Judaism, has called on Reform Jews to reverse the practice of centuries and begin a drive to convert the "unconverted" to Judaism.

He asserted that millions of Americans are "seekers after truth," who sometimes feel "prey to mystical cults which literally enslave them." Their hunger for faith, he said, had only been underscored by the loss of 900 members of the People's Temple in mass suicide and murders in Guyana.

"Judaism offers life, not death. It teaches free will, not surrender to another human being," Rabbi Schindler said in a speech to the 180-member board of the Union of American Hebrew Congregations Friday night in Houston.

He rejected the widely held conviction that Judaism has not proselytized.

"The notion that Judaism was

never a missionary faith is wide of the truth," Rabbi Schindler said. "That may have been true for the last 4,000 years, but not for the last 400 years before that."

Population Decline

The rabbi, noting also that the Jewish population was in decline, recommended establishing a new commission to "launch a carefully conceived and adequately funded outreach program."

Rabbi Schindler vowed to avoid a program that resembled a "traveling religious circus," and he urged his listeners to "take affirmative action to champion the Jewish faith."

The Union of American Hebrew Congregations, consisting of 1.2 million members among 735 congregations, represents the most liberal branch among the largest Jewish groups. Like the Orthodox and Conservative branches, its members have been showing increasing concern for the "loss" of Jews through intermarriage and assimilation.

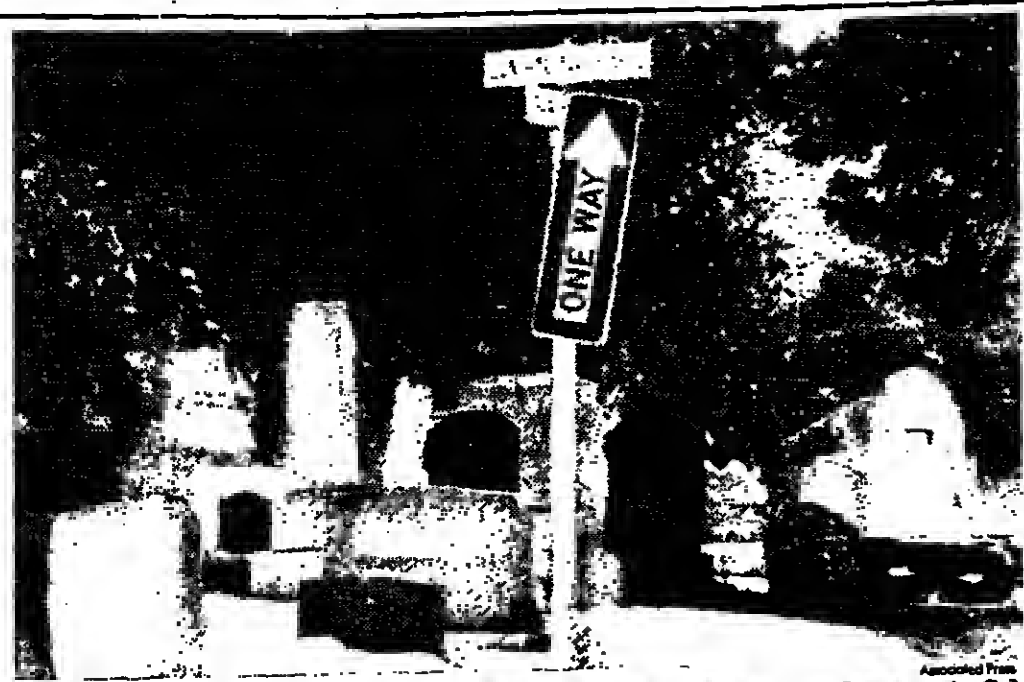
Figures compiled by the Jewish Population Study indicate that at least one-third of Jews marry non-Jews and that the birth rate among Jewish couples has fallen to 1.1 children for each family, below the replacement level.

Non-Jewish Spouses

Rabbi Schindler particularly appealed for efforts to convert the non-Jewish partner in an impending marriage and to remove the "not-wanted signs" from Judaism, which he said "make non-Jewish spouses feel alienated."

He reminded the union board that Jewish law permits non-Jews to take part in such activities as singing in the choir, reciting the blessing over food and Sabbath candles and "even to handle the Torah."

Although Rabbi Schindler stressed that he did not approve of intermarriage, he declared that "the tide is running against us and we must face it." Rather than react defensively toward mixed marriages, he said, Jews should make every effort to be sensitive to the needs of the non-Jewish partner.



BOUND FOR HEAVEN? — This "one-way" street sign near the City Cemetery in Salt Lake City would seem to have some high hopes for the 101,757 persons who are buried there.

Sends High-Level Delegation to Moscow

Carter to Ease U.S.-Soviet Trade Curbs

By Hedrick Smith

WASHINGTON, Dec. 3 (NYT) — President Carter, signaling an interest in pursuing the recent improvement in relations with the Soviet Union, sent a high-level trade delegation to Moscow yesterday with the word that he would relax export curbs imposed last summer, but not abandon them.

The rank and size of the delegation, headed by Treasury Secretary Michael Blumenthal and Commerce Secretary Juanita Kreps, were cited by officials as a political gesture to demonstrate an interest in Soviet-U.S. trade. Mr. Blumenthal and Mrs. Kreps have arrived in Moscow.

Except for the arms negotiations conducted in Moscow in October by Secretary of State Cyrus Vance, the trade team on its way to attend the annual meeting of the Soviet-U.S. Trade Commission is the highest U.S. delegation since President Carter, irritated by dissident trials, canceled a number of official visits during the summer.

But government sources say that while the president is giving his general blessing to trade expansion, in a message to be delivered by Mr. Blumenthal to President Leonid Brezhnev, he is reluctant to work for an easing of trade restrictions until the political climate improves further.

27 Specific Requests

Officials said the president's policy was to proceed "cautiously and deliberately." The Commerce Department and, to a lesser extent, the Treasury wanted the president to endorse 27 specific cases, some of which had aroused objections from the Pentagon because of potential military applications.

Both Moscow and a U.S. trade-promotion group had sought to rescind procedures imposed this summer to control sales of oil and gas technology. Ambassador Anatoli Dobrynin met Mr. Blumenthal on Thursday, evidently to make a final plea before the trade mission's departure.

As a compromise, the sources said, Mr. Carter instructed that the review procedure be speeded up to clear a backlog of applications, but he declined to lift the controls entirely.

Although the White House is reluctant to say so publicly, it prefers to keep a brake on trade and to avoid the expected pressure to relax the legislative curbs on Export-Import Bank credits until a new arms accord is reached and the general atmosphere shows marked improvement.

Possible Inducement

Some U.S. officials regard the promise of expanded trade as an inducement to Moscow to wind up the arms talks more quickly and to move toward a meeting between Presidents Carter and Brezhnev.

The government is also trying to walk a delicate line between companies that seek an expansion of exports to the Soviet Union and senators who are wary of Moscow and whose support is needed for ratification of a new arms agreement.

With all these factors in mind, officials said, President Carter refused to endorse in advance the 27 new orders that the Soviet government has been discussing with American concerns.

They include a telephone system by Western Electric Co.; a computerized gas-lift system marketed by Teledyne Corp. for the enhanced recovery of oil; computerized seismic equipment for oil exploration; plants for the manufacture of diesel engines, forklift trucks, auto engines and spark plugs; a package of technology for offshore oil drilling; and an offshore oil exploration project, already aided by the Pacific coast.

Defense Department officials are known to be wary of the Western Electric and Teledyne projects and the sale of offshore prospecting equipment, because they involve

computers that the Pentagon believes could have military uses.

Pressure has developed from the U.S.-U.S.S.R. Trade and Economic Council, a trade-promotion group, which has been pressing for relaxation or removal of a number of export controls and for expansion of exports to the Soviet Union to help offset trade deficits elsewhere.

Ideally, the U.S. trade group would like the administration to go before Congress and appeal for a lifting of the ceiling on credits from

the Export-Import Bank and of restrictions on import tariffs. Both were incorporated into the Trade Act of 1974 pending the easing of emigration curbs on Soviet citizens.

Officials say that at this point President Carter has no intention of undertaking such an effort.

About 350 businessmen flew to Moscow this weekend on 10 chartered planes for trade talks with Soviet officials. The trade council has meetings that parallel the talks at the governmental level.

U.S. Census Finds Blacks
No Longer Moving to City

By Susanna McCabe

WASHINGTON, Dec. 3 (WP) — For the first time since World War II, the black population of U.S. cities has not grown, the U.S. Census Bureau has reported.

"This marks at least a temporary end to the pronounced growth of the black population in cities that had characterized the past several decades," the bureau said.

Demographer Mark Litman, who wrote the report, said that "the rate of black growth in cities had been slowing for some time and, since the mid-1970s, the size of the black population in cities appears at a standstill."

Larry Long, chief of the bureau's population analysis staff, said the figures reflect "the fact that fewer blacks are leaving the South to go to northern cities, more are returning to the South, and blacks are moving to suburbs at an increased rate."

A comparison of black population growth in central cities over the decades — while inexact because the number of such cities keeps increasing — shows a striking decline.

According to John Long, chief of the population projections branch, black population in central cities grew 48 percent in the 1960s. But

between 1970 and 1977 it grew only 4.2 percent, according to the new report, entitled "Social and Economic Characteristics of the Metropolitan and Nonmetropolitan Population: 1977 and 1970."

In 1970, about 12.9 million blacks lived in central cities. By 1977 that figure had grown to 13.7 million, but by 1977 it was 13.45 million, Mr. Litman said.

Move to Suburbs

Black migration to suburbs appears to be accelerating, the report said.

"Between 1975 and 1977 black movement to suburbs accounted for 14 percent of the net increase in suburban population attributable to migration, compared with only 7 percent in the 1970-75 period," the study said.

"Although the number of blacks living in suburbs increased by 34 percent between 1970 and 1977, suburban blacks represent only 25 percent of the black metropolitan population and only 6 percent of the nation's suburban population," it added.

The bureau did not detail where the suburban migration of blacks is occurring, but a report by demographers Eunice and George Grier in April showed that much of the increase is in the Washington, D.C., suburbs. Other significant black growth took place in the suburbs of Atlanta, Los Angeles and Philadelphia, their study indicated.

The census report showed that 55 percent of the nation's 24.5 million blacks lived in central cities in 1977, compared with 58.5 percent in 1970.

The study also tended to undermine some popular myths — that suburban areas are largely white-collar workers (47 percent are, compared with 44 percent of city men); that suburban women stay home more than city women do (50 percent of suburban women and 48 percent of city women are in the labor force); and that suburbanites are more family-oriented (43 percent of them have no children under 18 living at home; in cities the figure is 46 percent).

The charges against Clark, 54, and the others stemmed from the discovery of a disabled plane at the Montgomery airport last May. The plane was loaded with about 6,000 pounds of marijuana, valued at about \$4.3 million.

Clark, who now lives in Elbe, Ala., achieved notoriety during civil rights demonstrations in Selma, Ala. He proudly displayed a button on his uniform bearing the word "Never," referring to his resistance to desegregation, and led a posse of two dozen horsemen into a crowd of kneeling black demonstrators on a bridge in Selma in 1965.

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The blast ripped through the crowded basement of the Bazar de l'Hotel de Ville in mid-afternoon. Part-time assistant Georgette Ferret was reported in critical condition after having both her legs amputated. Eight others were injured in the explosion.

An anonymous caller telephoned a radio and a police station to claim responsibility for the blast on behalf of the Breton Liberation Front, a guerrilla organization fighting for the independence of Brittany, and an unknown group called Jewish Brigades. Police said, however, that the attacker was probably not linked to any guerrilla group.

Virginia Democrat
Petitions for Recount

RICHMOND, Va., Dec. 3 (AP)

Andrew Miller, a Democrat who lost his bid last month for a seat in the Senate by 4,721 votes out of more than 12 million cast, said yesterday that he will petition for a recount.

Mr. Miller said that since the vote difference between him and Republican John Warner was so slight, it could "weaken confidence in our election process" if he did not seek a recount.

Bonn Defense Chief Apel Stirs Concern

By Michael Getler

BONN, Dec. 3 (WP) — West Germany's new young defense minister — whose style seems more American than German — is causing a stir and some concern at NATO headquarters in Brussels, in some quarters of the Carter administration and even here in West Germany.

"What Hans Apel is all about is what everybody wants to know," says one top U.S. diplomat in Europe, referring to the controversial 46-year-old defense chief. Ten months after taking over as the civilian head of the largest and most important military partner of the United States in Western Europe, Mr. Apel remains a puzzle to many associates.

He has politely yet clearly challenged NATO's top military leader, Gen. Alexander Haig, on some key issues. He has not so politely broken the formality and clublike rules of NATO's inner circles by suggestions of weak leadership. And he has raised some provocative long-range questions about central issues affecting West German political as well as military security.

What is becoming clear, however, is that Mr. Apel — a confident and protégé of Chancellor Helmut Schmidt — is apt to be the most important West German defense minister of the postwar era.

Linked to Schmidt

That is so not simply because of the key role of any West German defense chief, but also because Mr. Schmidt's role as the dominant and most popular political leader in West Germany continues to grow.

If Mr. Schmidt, 59, seeks and wins re-election in 1980, then Mr. Apel, in the view of many politicians, becomes probably the most likely Social Democrat to eventually succeed him.

"If you conclude we're going to have Schmidt around for another six years and Apel after him, then it pays for us to figure Apel out quickly," says one Western official.

"What is clear," another adds, "is that he is the new-generation German. No ties to World War II. Never wore a uniform. No Nazi-era hangups. So he is taking a different tack. He is basically acting like an American politician who doesn't care if he breaks the china or where it breaks."

"We've reformed them," the official says of the postwar German generation. "And now we are finding it a little difficult to deal with them."

Too Comfortable

At NATO headquarters in Brussels, a Western diplomat says, "The Americans, especially, had gotten comfortably used to a certain kind of German defense minister who just took out his checkbook and said okay to the program."

Mr. Apel is different, he adds, "but some of the American attitudes persist, especially among the military people."

Like Mr. Schmidt, Mr. Apel comes from the bustling and tough northern city of Hamburg, and he displays some of the brashness, wit and intellect of that city. Like Mr. Schmidt, who was a finance minister and defense minister before becoming chancellor, Mr. Apel was also a finance minister, which has

made him somewhat more cost-conscious than some of his predecessors.

Unlike Mr. Schmidt, however, Mr. Apel is young, closer to a new generation that has more doubts than their parents about West Germany's becoming an increasingly larger military staging base for the Western alliance.

Mr. Apel is generally viewed as a middle-of-the-road leader with a strong commitment to the need for the Western military alliance and West Germany's strong contribution to it. Nevertheless, he is the first defense chief never to have served in the military and to have made known his discomfort with uniforms in a book published three years ago, when he said he never wanted the defense job.

General Resigned

Recently, West Germany's top military officer, Gen. Harald West, resigned, claiming he could not get along with Mr. Apel. Although Gen. West had run into criticism from some other quarters and was not viewed as a very dynamic leader, his departure also has raised questions about whether Mr. Apel will be able to establish a close relationship with West Germany's armed forces.

Aside from the West episode, however, many observers and officials view Mr. Apel's political challenges as healthy and refreshing.

He has, for example, sought to remind NATO that it is the civilian political leaders and not the military leaders who have the final say on alliance questions.

He has sought to tone down the rhetoric and frequency of NATO military warnings to the public because he feels that eventually overemphasizing political considerations, which also must be taken into account, yet which may not have fully crystallized. Within this view, another concern is implicit: Political leaders have not spoken out sufficiently on some of these crucial East-West issues.

For example, Mr. Apel is known to be concerned that military arguments that the West needs new intermediate-range weapons to match a Soviet buildup can dim prospects of arms-control negotiations handling such questions.

U.S. Commitment

He is concerned that a new buildup of such weapons in Western Europe to match the Russians could eventually "decouple" the U.S. commitment to defend Europe with long-range strategic weapons if necessary, or could add still more weapons to West German soil, which may be politically unpopular to a new generation of voters.

At the heart of Mr. Apel's and Mr. Schmidt's concern, informed sources say, is a feeling that the public, through military assessments, is becoming inundated with warnings about Soviet arms and the need to strengthen NATO while not paying enough attention to arms controls.

Mr. Schmidt, in particular, is known to feel that what he sees as an important formula, discussed here last May with Soviet President Leonid Brezhnev, is being overlooked. At that time, Mr. Brezhnev said neither side should seek military superiority and that appropriate parity should be the goal.

The West German attitude of policy toward the Soviet Union, says much of the mystique of Mr. Schmidt and Mr. Apel these days. While both remain firmly committed to the West, Bonn clearly is trying to improve relations with Russians.

Mr. Apel also has openly challenged Gen. Haig's philosophy of bigger NATO maneuvers each year in West Germany. The maneuver damage the countryside too much he says, and perhaps send a wrong signal to the East.

At a NATO council plan group meeting in Brussels last month, Mr. Apel, perhaps inadvertently, also vexed NATO Secretary General Joseph Luns by some diplomatic language suggesting weak leadership. That evening brought Mr. Luns to Bonn for discussion with Mr. Schmidt.

On balance, one senior NATO official says that despite Mr. Apel's controversial start, the alliance "not uncomfortable with him," uses his political future and his role in Bonn and views him as a reflection of West Germany's growing assertiveness.

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Hans Apel

Somoza Refuses to Leave
Nicaragua Unless Forced

MANAGUA, Dec. 3 (UPI)

After President Anastasio Somoza said that only bullets can push him into exile, his government reported today that three Sandinista guerrillas and one soldier died in two weekend clashes.

National Guard spokesman Col. Aquiles Aranda Escobar said the soldier and one rebel died in a skirmish Friday night in an area between two villages in northern Esteli province.

Two more guerrillas were killed in an encounter yesterday in the same area, Col. Aranda said. The deaths raised to at least 15 the number of rebels and soldiers killed in a string of clashes in the Esteli area in the last week.

Gen. Somoza said here that he would never agree to an opposition demand that he leave Nicaragua during a U.S.-proposed plebiscite on whether he should resign, although he indicated readiness to discuss other opposition demands.

Only With Bullets

"Everything is negotiable as long as it is within the bounds of the constitution," he said in an interview yesterday at his elegant hilltop home.

"But let me say this. Their demand for me to leave the country, frankly, is not negotiable because the only way you can negotiate that is with bullets. If they want to throw me out of the country they'll have to do it by force."

Gen. Somoza's comments came a few hours before U.S. mediator William Bowdler delivered the latest peace proposal to Foreign Minister Julio Quintana and Javier Zavala, spokesman for the anti-Somoza Broad Opposition Front.

The plan proposes that leaders of Gen. Somoza's Liberal Party and the Front begin direct talks in five days to settle the plebiscite question, and suggests that the vote can be held within 60 days after agreement is reached.

Disagree on Conditions

But Front officials said after receiving the new plan that direct talks with the Somoza government were out of the question until Gen. Somoza left Nicaragua. They proposed that the vote be held sooner.

Last week, Gen. Somoza and the

Synanon Head
Is Arrested in
Snake Attack

LAKE HAVASU CITY, Ariz., Dec. 3 (AP) — Charles Deas, founder of Synanon, the alternative-lifestyle and drug-rehabilitation organization, was arrested yesterday in connection with a rattlesnake attack on a California lawyer, authorities said.

Mr. Deas, 65, was arrested without incident at his home by Mohave County Sheriff D. Rathbone, who was accompanied by authorities from Los Angeles. He was charged Friday in Los Angeles with conspiracy and solicitation to commit murder in the attack on Paul Morantz. Bail was set at \$500,000.

A spokesman for the Los Angeles district attorney's office, Albergate, said that authorities wanted to arraign Mr. Deas immediately after his arrest. Investigators said he was too ill to be taken to court and had to be transported in an ambulance to his own doctor to a hospital in Kingman. We're hoping he can be arraigned here tomorrow.

Mr. Albergate said authorities hoped to begin extradition proceedings early this week.

Mr. Morantz, 33, was bitten on 10 by a rattlesnake in the mud box of his home in Pacific Palisades, Calif. He was hospitalized for several days but survived a bite. Two Synanon members, Lance Kenton, 20-year-old son of Synanon founder, and Joseph Musico, 28, were arrested five days after the attack charged with attempted murder.

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On a hill overlooking the city in one direction and the mountains in the other, the Royal Tehran Hilton is situated in a fashionable residential area. Facilities range from a heated pool to a choice of restaurants and an intimate night club.



But Government Is Pledged to Status Quo

U.S. Base Criticized in Iceland Press

By John Vinocur
KEFLAVIK, Iceland, Dec. 3 (NYT) — An Icelandic newspaper published a photo of a display of cockroaches recently, and accompanied it with the explanation that "they seem to thrive in the presence of the American military man."

The entomology exhibit and complaints about water pollution and leaking cesspools have been part of a campaign by segments of the Icelandic press against the U.S. air and naval base here. But the accusations are taken with something close to good nature.

The base command, the U.S. Embassy in Reykjavik and NATO headquarters in Brussels feel they have come out ahead on a far more important issue. The new Icelandic coalition government, generally leftist in tone and including a Marxist-oriented party, agreed in September, three months after election, to maintain the status quo in Icelandic foreign policy — meaning that the direct leftist pressure for the removal of the strategic base is now suspended.

The satisfaction among NATO officials is great because they main-

tain that Keflavik's importance has grown over the last five years in proportion to the increase in Soviet air and naval activity in the North Atlantic and the Norwegian and Barents Seas. But the base issue is not dead, and security at Keflavik could be a problem.

The base watches the movement of Soviet traffic originating at Murmansk, on the Kola Peninsula, as it heads south into the North Atlantic through the gaps between Iceland and Greenland and Iceland and the Faroe Islands.

The issue of the base has been a sensitive one for decades. Independent of Denmark only since 1944 and fiercely proud, Icelanders in general have found the presence of a foreign force painful. The issue, although a political one, has never involved deep anti-Americanism, but rather a concern among Iceland's 222,000 people for their cultural identity against a foreign tide of drugs, music, styles and manners.

The agreement between the United States and Iceland on the status of the base allows for a 12-month notice of cancellation, to come after a six-month period of joint negotiations on the future of the installation. In 1974, the Icelandic government invoked the six-month negotiating period.

Since then, the United States has shaved its profile here almost flat. Personnel have been cut back about ten percent, to 3,000. Unmarried men in lower ranks have a 10 p.m. curfew every night of the week except one, when the curfew is midnight. All off-post housing has been eliminated, and base television has been confined to a cable system, so it will not interfere with Icelandic programming.

But the problems about the base and its future have not disap-

peared. Since the installation of the current government, questions concerning the security of the base and its classified NATO documents have arisen. Although it is pledged to maintaining the status quo in foreign policy, the Progressive Alliance, the partner in Iceland's coalition that the U.S. Embassy described as "the linear descendant" of the defunct Icelandic Communist Party, has started a flanking attack on the installation.

Alliance members of the government normally would have no access to NATO or base information, according to U.S. sources, but a NATO spokesman in Brussels acknowledged that in the course of proceeding with business quite normally, certain ad hoc security measures have been taken at Keflavik.

In principle, NATO reports are seen only by Foreign Minister Benedikt Grondal, a member of the Social Democratic Party and a supporter of keeping the base. Mr. Grondal has a "top secret" NATO security clearance, but none of the more than 1,000 Icelanders who work at Keflavik have access to documents above the low-level category "for official use only."

This situation has been turned into an argument against the base by the alliance. Education Minister Ragnar Arnalds, an alliance member, said in an interview:

"The fact is the Americans keep us out of such things as military secrets. No one in the Icelandic government has an idea about what goes on at the base, and we think this is intolerable. But the idea of secrets is a joke in a little country like ours. Everybody knows everybody. Secrets are impossible to keep. However you argue, the base makes no sense. It should go."

Soviet Embassy

The security question is a real one because of the activities of the Soviet Embassy in Reykjavik. It is a third larger than any other diplomatic mission, and Capt. Thomas Keene, commanding officer of the U.S. naval station at Keflavik, says, "Any intelligent individual would recognize that this is an important base for us and would like to see its effectiveness reduced."

Mr. Arnalds explained that his party had technically left the question of the base in suspension for the time being because it did not have the votes in Parliament to do anything about it. But it has won a promise from its coalition partners for the formation next year of a "committee for the study of security," which the Foreign Ministry acknowledges will provide a focus for the base issue.

Mr. Arnalds said, "I don't think we'll succeed this time in driving the Americans away, but I think we can move a couple of steps toward that goal."

Russians Accused Of Anti-Semitism

UNITED NATIONS, N.Y., Dec. 3 (Reuters) — Israel's representative to the United Nations, Yehuda Blum, has called the Soviet Union the "greatest purveyor of anti-Semitism since the Nazis."

Addressing the General Assembly's Social, Humanitarian and Cultural Committee on Friday, Mr. Blum said: "Millions of copies of overtly anti-Semitic books, pamphlets and magazine articles circulate under official auspices in the U.S.S.R."

He said that the Soviet media frequently engaged in overt anti-Jewish incitement, referring to a television program entitled "Tradition in Souls," which he described as a "vicious debasement of Israel and the Jewish people."

E.W. Dickinson, U.S. Painter, Is Dead at 87

ORLEANS, Mass., Dec. 3 (AP) — Edwin W. Dickinson, 87, a painter who chronicled life on Cape Cod for more than 60 years, died yesterday.

His works included nature scenes, still lifes, family, friends, nudes and himself.

"To paint something you like is a basic initial blunder. One should keep going into new fields or else you're held back," he said in 1970.

Mr. Dickinson studied with Charles W. Hawthorne, founder of the Provincetown Art Colony and the Cape Cod school of art early in this century. He also studied at the Pratt Institute from 1910 to 1911 and in Paris from 1919 to 1920.

Before his retirement, Mr. Dickinson taught at several art schools in New York City.

Marion Selby Adams Stewart

CARACAS, Venezuela, Dec. 3 (UPI) — Marion Selby Adams Stewart, widow of former U.S. Ambassador C. Allan Stewart, has died of injuries suffered in an attack by a purse snatcher.

Mrs. Stewart, believed to be in her late 70s, was attacked on the street near her home in the Alta Florida residential neighborhood last week. She died Friday night in the Caracas Medical Center.



Demonstrator, left, in Paris Larzac protest Saturday is pursued by plainclothes policeman.

Larzac Protest March Ends in Violence in Paris

PARIS, Dec. 3 (Reuters) — A 710-kilometer march to Paris ended in violence yesterday when riot police fired tear-gas grenades into a crowd of 40,000 persons protesting Defense Ministry plans to take over land on the Larzac plateau for the extension of an army camp.

A group of farmers and ecologists started the march early last month. On Saturday, they arrived on the edge of south Paris and were joined by leftist supporters. The marchers were authorized to enter the city but banned from the central districts.

As the largely peaceful crowd demonstrated, a handful of crash-helmeted anarchists threw stones and incendiary devices at the police, who responded

with tear gas. The crowd turned and retreated as the police fired tear-gas shells straight at the front ranks. No arrests were reported.

Today, a delegation of 11 farmers met with an aide to Defense Minister Yvon Bourges. The Larzac protest movement has been developing since the early 1970s. It has involved continuing court battles and a common front of many disparate elements, including archaeologists, regionalists, pacifists and prelates, as well as farmers and leftists.

Target of the protests is the government's intention to more than quintuple the size of a military base in the Larzac, from 3,000 to 17,000 hectares, thereby expropriating 500 peasants and their sheep.

Gunmen Kidnap 2 British Bankers in San Salvador

SAN SALVADOR, Dec. 3 (AP) — Gunmen have kidnapped two British bankers in downtown San Salvador, a week after the abduction of a Dutch businessman by leftist guerrillas.

The British ambassador here said Ian Massie, 46, manager of the Bank of London and Montreal, and his assistant, Michael Chatterton, 45, were seized Friday in a parking lot in the business district.

Both Mr. Massie and Mr. Chatterton are married. They arrived in El Salvador three months ago and are the third and fourth foreigners kidnapped here this year. A Japanese businessman was earlier killed by his abductors.

Police refused to comment on the latest abductions.

The British ambassador said the bankers were seized by armed men shortly after midnight. He did not explain what they were doing in the area that late, but he noted that the kidnapping site was near their bank.

There were no immediate reports of ransom demands from the kidnappers.

On Nov. 24, Frits Schuitema, manager of the San Salvador subsidiary of the Dutch-based Philips Electronics Co., was abducted by five men who intercepted his car near his office.

Mr. Schuitema's kidnappers identified themselves as members of the Armed Forces of National Resistance, a leftist guerrilla organ-

ization fighting to overthrow the military-backed government of President Carlos Romero.

The guerrillas issued a statement yesterday saying that Mr. Schuitema was safe.

ETA Takes Credit For Holdup, Killing

BILBAO, Spain, Dec. 3 (Reuters) — The Basque separatist guerrilla group ETA yesterday claimed responsibility for an 86 million peseta (\$1.2 million) armed robbery from one of Spain's major steel companies.

ETA's military branch said in notes to news media that it was making public its responsibility to eliminate all possible doubt of who was behind Friday's robbery at the Altos Hornos de Vizcaya plant near here. ETA's military wing also claimed responsibility yesterday for the shooting to death of a civil guard in the Basque town of Onate Friday.

Result of Nonpartisan Consensus

Spain to Vote This Week On Constitution for All

MADRID, Dec. 3 (UPI) — Spain has never had a constitution that lasted more than 47 years, and a few lasted only two or three. So when seven legislators gathered 15 months ago to write a new constitution, they needed a different approach.

The need was for a national charter that could reconcile Spaniards after the 1936-1939 Civil War and the 36 years of dictatorship that followed. "The great virtue of our work," 37-year-old Cortes deputy Miguel Roca said at the time, "is that it is not coming from the left wing or the right wing but from everyone."

The formula was labeled "consensus." It meant that Premier Adolfo Suarez's governing Union of the Democratic Center, the strong Socialist Workers Party, other smaller parties and even the Communists set aside partisan politics to fulfill the overriding need of consolidating Spain's newborn democracy with a constitution.

The product of that consensus, the text that Spaniards will vote to accept or reject on Wednesday, is the country's 11th constitution since 1808.

The 1978 model is different from all those that came before, historian Ricardo de la Cierva said. "Former enemies have come together to write it elbow to elbow. It is not the constitution of half of Spain against the other half, but that of almost all Spaniards for everybody."

He pointed out that as a novelty in Spanish history, neither the Catholic Church nor the army as such has participated in the debates or the votes.

Franco had only an informal, undemocratic constitution, called the "fundamental laws," which he could amend with a personal decree if he wished. After his death in late 1975, reformers and democrats gave the framing of a new constitution the highest priority.

After the twin victories of Mr. Suarez's centrists and of the Socialists in the elections of June 15 last year (for the Cortes (Parliament), the legislature named a seven-man drafting group. Three came from the Union of the Democratic Center and one each from the Socialists, Communists, moderate Catalonians and rightist Popular Alliance.

Five of the men were less than 40 years old, and none had fought in the Civil War.

Bound by a pact of silence, the seven hammered out a first draft, dining frequently together and retreating at weekends to a hideaway hotel in the mountains north of Madrid.

Maintaining the consensus was

not all smooth going. The Socialist member walked out in March, charging that the centrists had negotiated on promises dealing with regional autonomy and state aid to parochial schools.

But when the proposed document got into committee debate in the Cortes, the Socialists rejoined the debate and the consensus was sealed at a late-night dinner in a Madrid restaurant. The draft then sailed through the plenary sessions of the upper and lower houses despite the indignation of rightist leader Manuel Fraga, who said that the document was being completed "away from the lights and shadows of the Cortes chambers."

At the Oct. 31 sessions of the Congress of Deputies and the Senate, which overwhelmingly approved the proposed constitution, the principal political leaders gave their verdict on the document. "With this constitution, yes, the Civil War is over at last," Catalonian Socialist leader Joan Raventós said.

Premier Adolfo Suarez said: "This is the work of national sovereignty, of a long process instigated by King Juan Carlos for the people to regain their sovereignty. We can all rejoice, because we are the winners in a battle against fear."

Arson Destroys 20 Million Files At Rome Center

ROME, Dec. 3 (Reuters) — Urban guerrillas set fire to the main computer in a Transport Ministry office today, causing millions of dollars worth of damage, police said.

Files and microfilms representing more than 20 million documents were destroyed in the attack on a Ministry Registration Center in Rome, ministry officials said.

The attack was claimed by a hitherto unknown group, the Armed Anti-Imperialist Movement, in a telephone call to the Communist daily newspaper, l'Unita.

Police said that three armed men entered the building just before dawn and overpowered and tied up the two technicians on duty. The guerrillas doused the computer and an adjoining room with gasoline and set fire to the complex.

The technicians, who freed themselves after the guerrillas had fled, called firemen, but the blaze destroyed more than 20 million transport documents, including driving licenses and registration papers, before it was brought under control.

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Yes, We'll Have No Banana

"Between 1973 and 1975 we had the deepest banana that we had in 35 years, and yet inflation dipped only very briefly." The economist Alfred Kahn, who heads the administration's task force against inflation, has taken to using "banana" for the word "recession." The reason, he amiably explains, is that references to recessions seem to make people nervous and irritable. He hardly needs to add that one of the people made most irritable is his employer, President Carter.

In the peculiar atmosphere that frequently precedes a recession, the CVI — the Candor and Veracity Index — takes a sharp dive, and everyone in official positions is required to pretend that the probable is impossible. It is one of the conventions of American politics that no president can ever acknowledge any chance of a recession ahead. That custom is now adding another element of murkiness and uncertainty to public discussion of the coming year's prospects. High officials are permitted to speak of slow growth ahead. But all references to recessions are forbidden — as noted by the effervescent Mr. Kahn, who likes to live dangerously.

Over the past 30 years, this country has been through six recessions. One of them was in the Truman administration, and three in the Eisenhower years. The definition of a recession is, incidentally, a contraction of the economy — a decline in the gross national product — in two consecutive quarters of a year. One body of opinion held that they were natural and necessary adjustments in a country that was, after all, getting richer rapidly.

But the 1960s were different. A combination of skillful management and good luck brought a prolonged surge of growth. There was a hesitation in 1966-67 that some students of the subject think might have turned into a recession had not the government been financing an increasingly expensive Vietnam War with borrowed money. Despite the war,

there was a recession in 1969-70. Several years later, aggravated by soaring inflation, another developed. As Mr. Kahn observed in his comment on bananas, it was the worst since the Depression. But, as a remedy for inflation, it proved remarkably ineffective. It is now nearly four years since the last of those contractions, and the familiar pattern seems to be asserting itself again.

That is not a prospect for anyone to regard with equanimity. A recession imposes costs that are real, serious and very unequally distributed. Two of the most prominent victims are those cherished values, opportunity and mobility. It gets harder for people to get on the ladder, step up or try new ventures. For those people fortunate enough to have established positions and seniority with prosperous companies, a recession can pass unnoticed. For the young, the blacks, the people stuck in jobs they dislike — for the outsiders and the newcomers — it's another matter.

But can a recession be avoided? The answer has to be that the favorable conditions of the early 1960s no longer obtain. There are things that a government can do to postpone a recession for a time. But all of those things are inflationary. Since a high inflation rate makes recessions more destructive than ever, that would be a wantonly bad choice. Mr. Kahn is arguing that, if a government must work without public support, it has only limited weapons to combat inflation. They amount to spending cuts and high interest rates, applied in ways that incur deep social costs. The Carter administration's strategy is to enlist sufficient voluntary cooperation from wage earners and from companies to work down the inflation rate without having to hold the country in a state of prolonged economic stagnation. A recession in the coming year is likely. Whether the administration can get the public cooperation to keep it a mild and short one is very much an open question.

THE WASHINGTON POST.

On Selling Arms to China

America's triangular relationship with a feuding Russia and China poses no harder question than whether the West should sell arms to one of them. Peking wants weapons and advanced technology heretofore denied to both Communist powers. Moscow rages against the idea; a warning of serious consequences if London sells military jets to China was only the latest of many demarches. Still, the Carter administration is reluctant to turn the Chinese away empty-handed. It hopes to encourage the pragmatic politics of a post-Mao government that seems eager to open its doors to the world to promote its economic development.

Peking aims to modernize equipment, including military equipment, that lags 20 years behind that of the Soviet Union. At most, the Chinese in this century can modestly improve their ability to wage a limited border war and to defend themselves against some types of Soviet attack. Such improvements would, it is true, increase the risks to the Soviet Union in any potential two-front war. And such a diversion can marginally contribute to Western Europe's sense of security. That is why the West Europeans look favorably toward some sales of things like anti-tank and anti-aircraft missiles and warship engines.

For the United States, the Soviet relationship is more central. The need to stabilize it and to restrain the nuclear arms race remains a key objective of American foreign policy. American arms sales to China, over the vigorous protests of Moscow, could sour the atmosphere. Moreover, arms that enhance Peking's ability to seize Taiwan might be used by some future regime in ways that

would bring it into direct conflict with the United States.

A long debate of these conflicting considerations reportedly found the National Security staff at the White House in favor of Western arms sales to China and the State Department opposed. The result was the president's decision to refrain from all military sales to either China or Russia but to let allied nations make their own decisions.

Moscow's pressure on Washington, however, has not been eased. In Soviet eyes, American acceptance of European arms sales to China represents a facilitating act. But there is some precedent for it and the United States can reasonably argue its resurgent allies no longer accept the American lead in every case. Moscow remains free to negotiate for moderation in arms sales by the West Europeans, who might in return urge a similar moderation in Soviet shipments to Africa.

Washington's effort to improve relations with both Peking and Moscow is no doubt made easier by the tension between them. But the United States has long rejected the view that it could profit from their direct military conflict. American administrations have pursued detente and arms control with the Russians despite strong Chinese criticism of it. To block the Chinese from making even modest improvements in their defenses, however, would be viewed by them as a hostile act. So if selling directly to China would be too much for the Russians, and vetoing the sales of others would be too much for the Chinese, President Carter has probably found the right middle course.

THE NEW YORK TIMES.

International Opinion

Calling Time on SALT

Mr. Brezhnev said . . . that a new treaty with the United States . . . was 95 percent complete. A year ago, Mr. Carter used almost the same words. What is holding things up? The question is important not because a new agreement would lessen the two sides' capacity for mutual destruction but because the absence of an agreement makes international tension seem worse than it is. The military argument in most disarmament talks is secondary to the political; obviously so, since neither side will forfeit its ability to defend itself. But that has become more usually true in SALT . . . Whatever happens both sides will retain the ability they have enjoyed over the decades to deter the other by the

threat of almost total destruction. But as long as each side half-believes that the questions are military, then progress toward SALT is slow. The Kremlin has admitted differences within its ranks. But differences are much more obvious in the United States, where the new Senate resulting from the mid-term elections has more members who half-believe the military arguments than the old. It is assumed therefore that even if the negotiators can agree on figures, the Senate will give the treaty a rough handling . . . SALT is not a cure for anything . . . but it is a symbol of renewed desire to avoid the worst of all worlds — a dead one — and for that reason the moment has come to call time on the talks.

— From the Guardian (London).

In the International Edition

Seventy-Five Years Ago

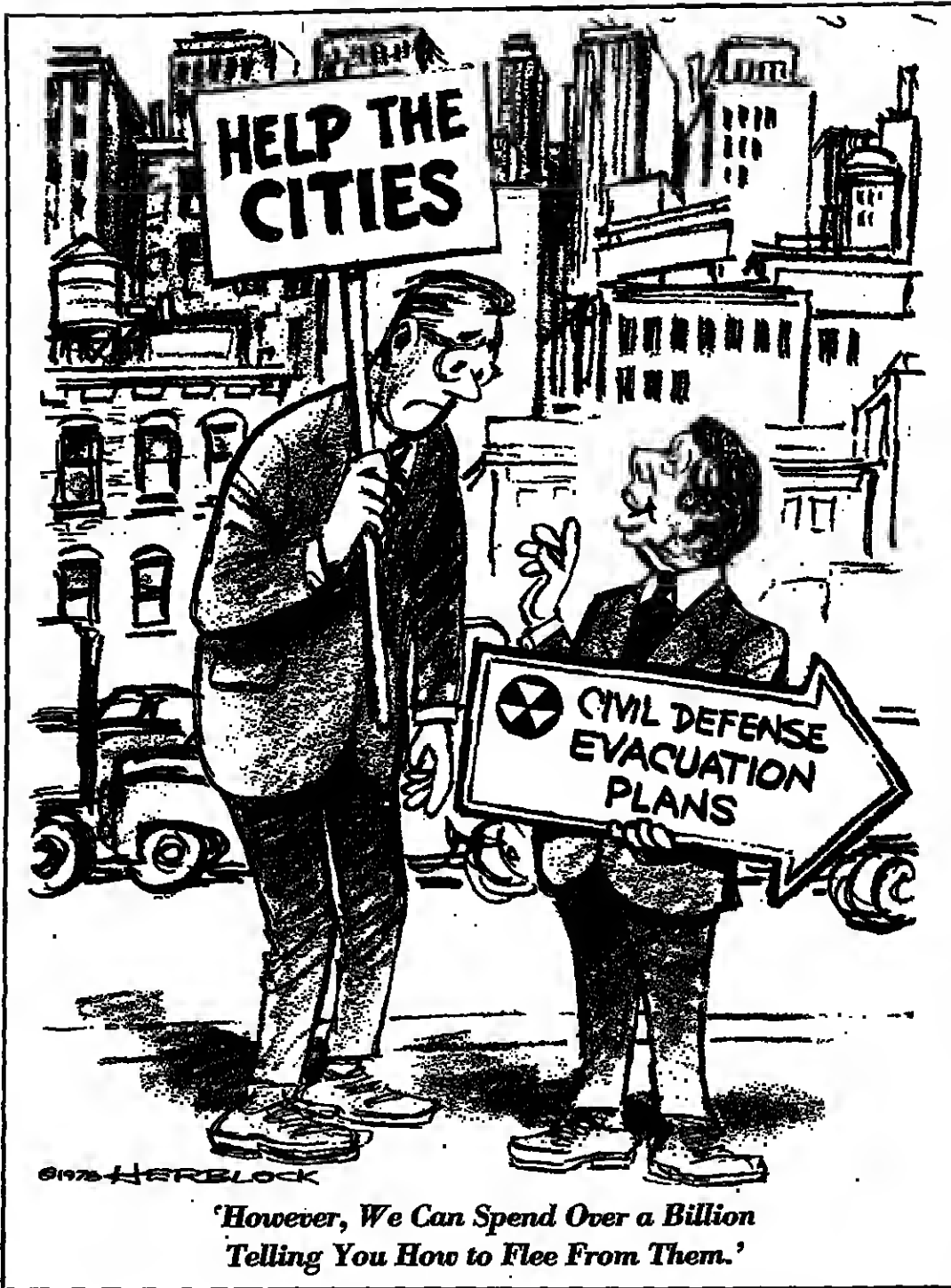
December 4, 1903

NEW YORK — The Baltimore Sun commented in an editorial: "Some of the demands which are made by the missionaries in China are not only un-Christian, but patently absurd. Why should a Chinese official be slaughtered to avenge the death of a native pastor or the burning of a church unless he was proved to be a murderer and an arsonist? If the Chinese government had any backbone it would insist on being free to administer justice as to the Western nations. If the missionaries do not approve of that method of enforcing the law they could leave the country."

Fifty Years Ago

December 4, 1928

PEKING — The Nationalist government of China is menaced on two fronts: on the one hand by the war lords with their soldiers, on the other by the labor unions. The government has used both persuasion and force to keep the two dangers in abeyance. The unions are being encouraged by thousands of former politicians who lost their jobs by the rise of the Nationalist government, and by those occasional Communist agitators who dare show themselves in the north. Luckily for the Nationalists, the unions and war lords have shown no signs of getting together.



U.S. and a Developing China

By Joseph Kraft

WASHINGTON — Can Teng Hsiao-ping impose rapid modernization on China? That is the question that has to be asked in the obscure half-light of the events which have recently been shaking Peking.

Despite Teng's recent success, the long-term odds — economically, politically and actually — go against it. So while the United States has a strong vested interest in the success of his program, it is important to avoid an entangling alliance with any faction in Chinese politics.

The modernization program identified with Teng calls for rapid advances in agriculture and industry by 1985. Agricultural production is to grow by 4.3 percent annually — a higher figure than even in the past. Industrial growth is supposed to increase at an annual rate of more than 10 percent.

The thrust for this truly great leap forward is supposed to come from high technology imported from Europe, Japan and the United States. To apply the new technology, China will train a whole new elite at home and abroad.

To pay for the training and imports, China will immediately expand, in partnership with foreign countries, production of exportable commodities — notably coal, iron and oil. To move the commodities, it will improve five harbors and develop six new railroads.

On economic grounds alone these targets seem extremely hard to achieve. Whether in Russia, Iran, Egypt, Brazil or Nigeria, plans for breakneck modernization of large, underdeveloped countries have tended to fail. China presents a particularly difficult proposition. Its huge population suggests that development can be achieved best by the use of manpower, not by modern machinery that saves on human labor.

Political obstacles to rapid modernization through foreign techniques seem even higher. The creed handed down by Mao Tse-tung emphasizes egalitarian mass endeavor and self-reliance. It thus goes exactly counter to the social division between the masses and an elite with foreign connections implied by the Teng program.

Apart from having to contend

with the ghost of Mao, the Teng modernization program has to fight the flesh-and-blood leaders who came to power during the Cultural Revolution and its aftermath. Having experienced the turmoil of the years 1966 through 1975, the latest crop of leaders is prone to resist modernization unless absolutely certain it will win out.

Aged Leadership

Which is where the actualities come in. Teng is 74 years old. His best-known allies in the leadership include China's president, Yeh Chien-ying, who is 80; a vice premier, Li Hsien-nien, who is 77; and the defense minister, Hsu Hsiang-chien, who is 76.

Given these ages, Teng has to move — and move rapidly — to convert or cut down some of the younger leaders. That group includes prominently Hua Kuo-feng, the chairman of the Communist Party and premier, who is 57; Wang Tung-hsing, a vice chairman of the party and security man, who is 62; and Chen Hsi-lien, a vice premier and commander of the Peking military district, who is 65.

At the recent meetings in Peking, Teng plainly made some progress. Chairman Hua apparently shifted from a position of reserve on modernization to one of enthusiasm. It is expected in the next few weeks that major contracts will be let to foreign firms for development of coal, iron and oil resources.

The two other younger leaders — Vice Chairman Wang and Vice Premier Chen — while not purged, were the subject of wall-poster attacks that reflect diminished status. The Maoist cult was diluted by a decision to rehabilitate former Defense Minister Peng Teh-huai, an opponent of Mao who was purged in 1959.

But Teng clearly did not win an all-out victory. He remains vice premierman of the party. Chairman Hua is still in place as chairman and premier, and can easily slip back on modernization later on. Especially since Maoism remains the official creed. Moreover, even to get what he did, Teng had to resort to the unorthodox (and potentially dangerous) device of street demon-

strations and interviews with foreigners.

The U.S. interest is to favor Teng's program. An advancing China with ties to the West is the best possible antidote to the truly terrible prospect of a Chinese-Soviet rapprochement.

However, the best hope for modernization is not that Teng achieves it, but that he passes the baton to some younger leader. So Washington ought to avoid a hard commitment to Teng in a factional context. The more so as the United States, unlike Teng, wants to promote its China connection in a way that also fosters closer ties with the Soviet Union.

Seeking Meaning in Lunacy

By James Reston

WASHINGTON — Whenever something goes violently wrong in this country, there is a natural desire to find some general explanation, some failure in the nation or its institutions, or at least some villain or conspiracy of soundbites.

Even now, 15 years after the murder of President Kennedy and 13 after the assassinations of his brother Robert and of Martin Luther King, the Congress of the United States is still pawing over the evidence, and searching for some rational meaning of these irrational acts, and the process is starting all over again in the tragedy of Jonestown in Guyana.

'Mass Lunacy'

One of the most prominent members of the Carter administration summarizes the destruction of more than 900 lives in this jungle town of Guyana as "mass lunacy in an age of emptiness." The Communist critics of America see it as a symbol of the inner turmoil and economic contradictions of capitalist society.

Others blame the State Department for not paying more attention to the warnings of danger to the lives of American citizens in Guyana, or blame Congressman Leo Ryan and the press for intruding into things beyond their understanding or control; or blame the established religious organizations for losing touch with the people and encouraging the rise of new "religious" cults.

Even the Wall Street Journal, in an otherwise brilliant and compassionate series of reflections on Jonestown, takes this latter view. "The decay of religion is unmistakable," it says. "The appeal of the cults expresses the profoundness of the human will to believe, the longing for the certainty of faith. The last place anyone would look today to fill this longing is one of the mainstream religious denominations."

LOS ANGELES — Day after day, astronomers in observatories in the United States, Canada and the Soviet Union scan the skies with listening devices, hoping to hear radio messages from civilizations in outer space.

It is one of the most exciting experiments of modern science, and possibly one of the most dangerous. Although rich in promise, the search for extraterrestrial intelligence also threatens to plunge us into a deadly kind of culture shock.

So far, radio astronomers have listened to only a few hundred of the billions of stars in the Milky Way galaxy. And, so far, they have not heard a whisper.

Last winter, the National Aeronautics and Space Administration requested \$2 million from Congress to begin a far more thorough search. Although the proposed program was rejected, NASA is expected to renew its request when Congress convenes again in January. Meanwhile, other searches continue.

'Great Truth'

Why spend millions of dollars to listen? Because we might learn the "one great truth" that civilizations can survive the perils of their own technology for thousands of years, says Philip Morrison, a physics professor at the Massachusetts Institute of Technology. That lesson might renew our hope in the future and deflate the fashionable doom-sayers among us who warn that overpopulation, industrial pollution and a host of other ills will soon destroy our civilization. And such a message from outer space might even teach us how to avoid self-destructive social organization.

The nearest civilization is almost certainly thousands of years old and hundreds of light years away. By beaming radio pulses into space, aliens from another civilization could transmit detailed messages in mathematical code. Even zipping along at the speed of light (roughly 186,000 miles per second), however, radio signals would take centuries to reach us here on earth. Nevertheless, it is likely that such a message would contain more than a simple "hello." It is possible that the message would describe the culture of such an advanced civilization in wondrous detail.

The danger of such contact with a presumably superior civilization is that it might teach us too much, too soon. The likelihood of hearing from beings thousands of years ahead of us in science and technology has caused Carl Sagan, the noted astronomer, to crack: "The smart guys talk to the dumb guys." We probably would receive a supercivilization's version of the Encyclopedia Britannica. What might we discover? Energy sources that dwarf nuclear power? Mesmerizing religious philosophies? Or, as Morrison claims, that we would need decades, even generations, to

understand such a message. "It won't be like a recipe for making corn flakes," he says. Scholars over the world will have to grapple with its complexities. Results will trickle out, year after year. We will have plenty of time to worry about it, once we have received such a message.

Perhaps. But once people start thinking that extraterrestrials are the key to superpowers and wonder drugs, Congress will shell out billions of dollars for a crash program to decipher the message, decoding race with the Soviet Union seems an ominous possibility. Revolutionary advances in technology could spill out in a few years. Before long, we would be deep in cosmic culture shock.

On earth, when advanced civilizations meet simple societies, the latter are annihilated or absorbed. Indians, Africans and the South Americans — the last long.

Morrison, Sagan and other scientists do not seem to fret about precedents. To have lasted millennia, supercivilizations must be a rare and wise, they say. If not, it is hard to see how they could have survived. Travel between the stars is too expensive and time-consuming to make an invasion profitable even for advanced technology. Besides, they do not even know where we are.

Not all scientists are so free. Freeman Dyson, a physicist at Princeton University, warns that alien civilizations may be a kind of "technological cancer" that spreads wildly through the galaxy. Have biologist George Wald worries that an extraterrestrial message could become "the most highly classified and exploited military secret in the history of the earth?"

Unfazed, many radio astronomers continue their search. Strange that the astronomical community, which put the first, marooned in strict quarantine and fully sterilized the Viking probes. Mars, now seeks to make contact with alien, possibly superior, civilizations so imprudently. They must seem too eager.

When asked about the possibility of culture shock from an interstellar message, Cornell University astronomer Frank Drake said, "I don't know anything about the history of the world. I am not a sociologist. That is the scary part, only astronomers and physicists have thought deeply about the cultural repercussions of such contact. It is high time, then, that Congress and the rest of us start to template the potential dangers in interstellar communication."

Michael W. Thacher is the managing editor of Human Behavior magazine. He is also an amateur astronomer. He wrote this article for the Angeles Times.

and seek vaguely for truth, beauty and moral support. "When they are deluded and then disillusioned, cynicism and confusion follow. The wrong things, as I see it, is not in money the victims part with their souls in the mental and spiritual poison they get."

But that, said Jackson, "precisely the thing the Constitution puts beyond the reach of the secular, for the price of freedom or religion or of speech or of the press is that we must put up with, even pay for, a good deal of rubbish."

No doubt there are many things to wonder about why many Americans of all ages, colors and in many anxieties, dreams fled their own country to the jungles of Guyana. This must be left to the philosophers.

Continuing Search
There are some questions for executive branch of the government — why was it not more vigilant looking after the well-being of citizens — and for the Congress and the press — why they were urgent and ignorant of the problems they were investigating — but would still be dicey to draw conclusions from so many anxious human considerations. It may be that there was no great meaning in the murder of Kennedy, of Martin Luther King or the horrors of Jonestown, there is no rational explanation of irrational human behavior, but search goes on.

Already two books are on stands about Jonestown, and are only the beginning of a search for meaning, which probably a body will ever find.

Over-Counter Market

[illegible]

Treasury Bills

	Bid	Ask	Yld
2	0.25	0.27	10.00
3	0.24	0.26	10.00
4	0.25	0.27	10.00
5	0.26	0.28	10.00
6	0.27	0.29	10.00
7	0.28	0.30	10.00
8	0.29	0.31	10.00
9	0.30	0.32	10.00
10	0.31	0.33	10.00
11	0.32	0.34	10.00
12	0.33	0.35	10.00
13	0.34	0.36	10.00
14	0.35	0.37	10.00
15	0.36	0.38	10.00
16	0.37	0.39	10.00
17	0.38	0.40	10.00
18	0.39	0.41	10.00
19	0.40	0.42	10.00
20	0.41	0.43	10.00
21	0.42	0.44	10.00
22	0.43	0.45	10.00
23	0.44	0.46	10.00
24	0.45	0.47	10.00
25	0.46	0.48	10.00
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77	0.98	1.00	10.00
78	0.99	1.01	10.00
79	1.00	1.02	10.00
80	1.01	1.03	10.00
81	1.02	1.04	10.00
82	1.03	1.05	10.00
83	1.04	1.06	10.00
84	1.05	1.07	10.00
85	1.06	1.08	10.00
86	1.07	1.09	10.00
87	1.08	1.10	10.00
88	1.09	1.11	10.00
89	1.10	1.12	10.00
90	1.11	1.13	10.00
91	1.12	1.14	10.00
92	1.13	1.15	10.00
93	1.14	1.16	10.00
94	1.15	1.17	10.00
95	1.16	1.18	10.00
96	1.17	1.19	10.00
97	1.18	1.20	10.00
98	1.19	1.21	10.00
99	1.20	1.22	10.00
100	1.21	1.23	10.00

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Photographed at Elf Aquitaine's facilities in Lacq, France.

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reality takes a lot of cooperation with other petroleum companies and capital from many international banks. Over the past three years, André Gester has turned to bankers he can rely on.

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Insurance Stocks

[illegible]

On-CashQty 1.12	172	294	26 1/2 + 1/4	SecurLifeAc 44	16 1/2	17 1/2
OldRepln 3.46	34	21	2 1/4 + 1/4	SecurLifeAc 46	10	10 1/2
Pacific Life	27	29 1/2		SomerLin 20b	1	7 1/4 8 1/4
Penair Ins 20b				SouLinAto 15b	27	2 1/2 2 1/2
Penn Life	537	57 1/2	4 1/2 + 1/2	SouthernFin 4b	27	14 1/2 15 1/2 + 1/2
PiedmMon 14	36	4 1/2		SowethLife 3b	177	19 1/2 19 1/2 + 1/2
PraterRisk 4b	14	13	1 1/4 - 1/4	OverlandLife 3b	43	6 1/2 6 1/2 + 1/2
Pres Life	31	31 1/2	3 1/2	SwatmoreGr 15b	217	15 1/2 16 1/2
ProtectiveLife 120	53	45	4 1/2 + 1/2	TransatlLife 32	48	6 1/2 6 1/2
ProvLifeAc 1.0b	20	11 1/4	1 1/4	Unico	23	29
RebelsLife 1b	20	11 1/4	1 1/4	UnifOverd	44	4 1/2
ReplnNatLife 5b	17	20 1/2	22 1/2 + 1/2	UnifCostl 1	27	23 1/2 23 1/2 + 1/2
Ryanins Gr 14	25	27		UnifPres 16 1/4	7	4 1/2 5 -
SRICo 1.2	133	27 1/2	2 1/4 + 1/4	UnifSw 111	1	1 1/4 2 1/4
SatocoCorp 1.5b	204	33 1/2	3 1/2 + 1/2	UnifSwLife .72	51	14 1/2 15 1/2 + 1/2
3PoulCo 1.0b	2	11 1/4	12	Vico Corp 1	10	15-16 1 1/2-1 1/2
SecurAmLife 4b	2	11 1/4	12	WestnCosSur 1.0	118	30 1/2 31 1/2 + 1/2
SecurConn Life	16	20 1/2	22 + 1/2	WestnSioLife 1.2b	2	14 1/2 15 1/2
				Windsor Life	1	1 1/4 1 1/4
				WindsorLife	11	4 1/2 4 1/2
				ZachSwiss 1.0b	16	12 1/2 13 1/2 + 1/2
				Zenith United	5	4 1/2

**Department of Organization and Planning
Telecommunications Project Office**

Telecommunications Experts

- 5 to 10 years experience in private telephony;
- Some familiarity with cable and radio transmission;
- Perfect English and French.

Direction Organisation et Planification
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We offer numerous alternatives...

... for international finance.

As one of the leading banks in Southwest Germany, Bäderische Kommunale Landesbank has the resources and flexibility to select the most suitable financing alternatives for its clients.

After more than 60 years of refining our skills to meet the demands for flexibility of German and international companies at home and abroad, we offer a full range of streamlined services for financing international trade. For example - short to long-term loans, buyers' and sellers' credits; documentary payments and collections; letters of credit; discounting of foreign bills; foreign exchange hedging facilities.

We operate wholly-owned subsidiaries in Luxembourg and Zurich. Bäderische Kommunale Landesbank AG in Zurich adds further dimensions to our international capabilities, concentrating on non-recourse financing (à forfait), short and medium-term trade financing, and other specialized financial services.

We are a regional universal bank, headquartered in Mannheim (with total assets of DM 16.4 billion). As central bank of 69 Sparkassen in Baden, we are linked to Germany's powerful network of savings banks. We are also authorized to issue our own bearer bonds, assuring a broad source of funds.

Flexibility and the proven ability to match available alternatives with client needs are among our major strengths. For complete information, just contact:

Ente Nazionale per l'Energia Elettrica (ENEL)
Guaranteed Floating Rate Loan Notes 1980

In accordance with the provisions of the above Notes, Bankers Trust Company, as Fiscal Agent therefor, has established the Rate of Interest on such Notes for the semiannual period ending May 31, 1979 as twelve and seven-eighths percent (12 $\frac{7}{8}$) per annum. Interest due on such date will be payable upon surrender of Coupon No. 18.

BANKERS TRUST COMPANY,
Fiscal Agent

DATED: December 4, 1978

As one of the leading banks in Southwest Germany, Räderische Kommunale Landesbank has the resources and flexibility to select the most suitable financing alternatives for its clients.

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We operate wholly-owned subsidiaries in Luxembourg and Zurich. Badische Kommune Landesbank International S.A. in Luxembourg with direct access to the Euromarkets, specializes in roll-over credits, syndicated loans, money market and foreign exchange dealing, and Eurobond trading.

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We are a regional universal bank, headquartered in Mannheim (with total assets of DM 16.4 billion). As central bank of 69 Sparkassen in Baden, we are linked to Germany's powerful network of savings banks. We are also authorized to issue our own bearer bonds, assuring a broad source of funds. Flexibility and the proven ability to match available alternatives with client needs are among our major strengths. For complete information, just contact:

Badische Kommunale Landesbank - Girozentrale -
Augusta Anlage 33 · 6800 Mannheim 1 (West Germany)
Telephone: (06 21) 45 81

BADISCHE
KOMMUNALE LANDESBANK
GIROZENTRALE

[illegible]

U.S. \$25,000,000

S. G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V.	Bank of America International Limited		
Daiwa Europe N.V.	Götabanken		
Kredietbank S.A. Luxembourgeoise	Swiss Bank Corporation (Overseas) Limited		
Westdeutsche Landesbank Girozentrale			
American Express Bank	A. E. Ames & Co. Limited	Amsterdam-Rotterdam Bank N.V.	Andresens Bank A.S.
Arnhold and S. Bleichroeder, Inc.	Bache Halsey Stuart Shields Incorporated	Banca Commerciale Italiana	
Banca Nazionale del Lavoro	Banco di Roma	Bank Julius Baer International Limited	
Bank Gutzwiller, Kurz, Bungenier (Overseas) Limited	Bank of Helsinki Ltd.	Bank Leu International Ltd.	
Bank Mees & Hope NV	The Bank of Tokyo (Holland) N.V.	Bankers Trust International Limited	
Banque Bruxelles Lambert S.A.	Banque Française du Commerce Extérieur	Banque de l'Indochine et de Suez	
Banque Internationale à Luxembourg S.A.	Banque Nationale de Paris	Banque de Neufilze, Schlumberger, Mallet	
Banque de Paris et des Pays-Bas	Banque Populaire Suisse SA Luxembourg	Banque de l'Union Européenne	
Banque Worms	Baring Brothers & Co., Limited	H. Albert de Bary & Co. N.V.	Bayerische Landesbank Girozentrale
Bayerische Vereinsbank	Bergen Bank	Berliner Bank Aktiengesellschaft	Berliner Handels- und Frankfurter Bank
Blyth Eastman Dillon & Co. International Limited	Caisse des Dépôts et Consignations	Centrale Rabobank	
Charterhouse Japhet	Chase Manhattan Limited	Chemical Bank International Group	Christiania Bank og Kreditkasse
Citicorp International Group	Commerzbank Aktiengesellschaft	Compagnie de Banque et d'Investissements (Underwritten) S.A.	
Compagnie Monégasque de Banque	Continental Illinois Limited	Copenhagen Handelsbank	
County Bank Limited	Credit Agricole	Credit Commercial de France	Credit Industriel et Commercial
Credit Lyonnais	Credit Suisse First Boston Limited	Creditanstalt-Bankverein	Credito Italiano
Richard Daus & Co.	Den Danske Bank	Den norske Creditbank	Deutsche Girozentrale

9% 1976/1986 de U.S. \$1,000

de la CAISSE NATIONALE DES AUTOROUTES

Head office: 56 Rue de Lille, PARIS-7e

CAISSE NATIONALE DES AUTOROUTES

o° 63-585 dated June 20th, 1963.

NOTICE OF MEETING

Notice is hereby given to the holders of U.S. 1000 9% Notes 1976/1996 issued by CAISSE NATIONALE DES AUTOURITES that a general meeting will be held on Wednesday, December 20th, 1978, at 11 a.m., Paris time, 4 Rue Gallion, Paris-2e, to give a decision on the same agenda as provided for the general meeting called on Monday, November 27th, 1978, which has been unable to pass valid resolutions, owing to the fact it failed to convene the required quorum. Whatever the number of Notes held by the Noteholders who will be present or represented in it, this second general Meeting will pass valid resolutions on the following agenda: *see below*

- Ratification of the "Statuts" of the Societe Civile;
- Ratification of the appointment of the Directors, pursuant to Art. 7 of the "Statuts" of the Societe Civile.

Any Shareholder may attend the Meeting or be represented in it

To order to attend the Meeting or be represented in it, the Noteholders will have to deposit their Notes 5 days before the date of the Meeting with the following banks and institutions:

- BANQUE BRUXELLES LAMBERT S.A. (Bruxelles)
- BANQUE INTERNATIONALE A LUXEMBOURG S.A. (Luxembourg)
- BANQUE DE L'UNION EUROPEENNE (Paris)
- CREDIT COMMERCIAL DE FRANCE (Paris)
- CREDIT LYONNAIS (Lyon)

- DEUTSCHE GIROZENTRALE-DEUTSCHE KOMMUNALBANK (Frankfurt)
- KREDITBANK S.A. LUXEMBOURGEOISE (Luxembourg)
- MARINE MIDLAND BANK (New York)
- SOCIÉTÉ DE BANQUE SUISSE (Genève)

- UNION DE BANQUES SUISSES (Zurich)
- WESTDEUTSCHE LANDESBANK GROSZENTRALE (Duesseldorf)

where they will get receipts certifying the deposit of the Notes and where the

The Board of Directors

Austl 5 1/4 80m	99	Eurin 84/84
Austl 5 1/2 820	94	Eurin 93/97

[illegible]

Of AMEX Listing

[illegible]**Of NYSE Listings**[illegible]

This week	116,430
Last Week	79,790,000

[illegible]

REPUBLIC OF BRAZIL

U.S. \$20,000,000 "A" 10 3/4% Bonds due 1984
U.S. \$5,000,000 "B" Floating Rate Bonds due 1984

On November 20, 1978, the amounts of U.S. \$2,400,000.—for the "A" Bonds and U.S. \$600,000.—for the "B" Bonds have been drawn for redemption in the presence of a Notary Public, in accordance with the terms and conditions of the issue. These Bonds, with the interest thereon, have been paid to the

The numbers are as follows:

"B" Bonds: 556 to 630 incl.
1431 to 1955 incl.

Amount outstanding: "A" Bonds: U.S. \$14,400,000 —

Outstanding drawn Bonds: none.

1970. S.A. Luxembourg

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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Euromarket

(Continued from Page 7)

Samuel and Co. said: "We remain of the view that the cyclical peak in dollar rates has not been attained and that at current levels the long-end of the market is particularly vulnerable. We are concerned that the present yield structure of the market appears to be making no allowance for a further tightening of the U.S. federal funds rate and that investors are therefore not prepared for dramatically weaker bond prices. However, the widening of yield spreads between high quality and medium-grade issues suggests that the market may be prepared for another sell-off."

Kidder Peabody said in its weekly text that a further advance in eurodollar bond prices was unlikely in the near-term but that a significant downward correction in prices was also unlikely.

It said that a base for the market has been formed by substantial institutional buying interest at lower levels. But it pointed out that a majority of the eurodollar trading houses are now paying 11 percent to finance their bond inventories, which have a lot lower current yield. It said that if the losses on financing bond inventories persist over a major period, then dealers would eventually have to widen the spreads between bids and offers and that the marketability of some issues would suffer.

Market Reopens

The primary eurodollar bond market was reopened last week after a two-and-a-half-month pause amid a certain amount of controversy.

A syndicate led by Hambros Bank scheduled a \$50 million, 15-year offering for Norsk Hydro with a 9.25 percent annual coupon rate. The Norwegian energy company will start repaying its bonds in January, 1993, so that the average life of the issue outstanding will be about 11 years.

In general, underwriters welcomed the reopening of the market with a prime quality issue. However, many market participants disagreed with the terms, arguing that the coupon rate should have been 9.5 percent.

Feelings on this score were so great that four of the traditional managers of Norsk Hydro's euro-dollar issues, Swiss Bank Corp., Banque de Paris et des Pays-Bas, Credit Suisse-Firs Boston and Deutsche Bank, declined management positions.

However, they were replaced by Amsterdam-Rotterdam Bank, Banque Bruxelles Lambert, Commerzbank and Salomon Brothers International.

A spokesman for Hambros Bank said that there was indeed a disagreement about the terms. But he said: "We wouldn't have pressed ahead if we were confident about the terms."

According to underwriting specialists, the issue will probably have to be priced at 99. Then, if it is assumed that selling group members pass on their 1.5 percent commission to investors, the effective price would be 97.5. At that level the yield to maturity works out to 9.57 percent, which is thought to be generally acceptable.

Much Grumbling

The very tight pricing in a market where short-term interest rates are higher than long-term rates caused considerable grumbling. Nevertheless, a spokesman for Hambros said that there was considerable institutional demand for the issue and that it was selling well.

In the floating rate note (FRN) market, prices were barely maintained this week. While coupons of some issues were fixed at 12.44 percent this week, quotations immediately fell to discounts below par.

A \$50-million option maturity offer of Sonatrach, the Algerian state oil company, got a particularly bad reception this week. Priced at par, the issue fell in the aftermarket to 96-96.5, primarily because banks avoided the issue, as they are already involved in a host of medium-term bank loans to Algerian entities on more favorable terms.

Sonatrach's issue bears semi-annual interest at the higher of either 0.75 points over the London interbank offered rate (Libor) for six-month eurodollar deposits or 7.25 percent. Note holders have the option of redeeming at par in 1986 or every two years thereafter until final maturity in 1992.

Scheduled for offering through Credit Lyonnais and its associates is a \$50 million, eight-year issue of Privredna Banka. The Yugoslav bank will pay semi-annual interest at the higher of either 0.875 points over Libor or 8 percent. Dealers said that it appears to be a banking transaction dressed up as a public issue since the terms have no relation to those available for Yugoslav bank paper in the secondary market. They pointed out that Yugoslav paper with higher spreads over Libor can be purchased in the secondary market at discounts ranging between three and five points.

New Japan Issue

Meanwhile, a \$30 million, seven-year issue through a syndicate managed by Morgan Stanley International is scheduled for offering. The notes will be issued by a subsidiary, Nippon Credit Bank (Curaçao) Finance N.V., with a guarantee of the bank. Interest is payable semi-annually at a quarter point over Libor or 5.5 percent.

The terms are about the same as the previous offering of the Industrial Bank of Japan, which was well received.

In the West German mark sector

this week, prices fell, generally pushing yields up by a quarter point.

The coupon rate for a 150-million-mark, 12-year issue of Oesterreichische Kontrollbank in the market with an indicated 6.5 percent coupon.

Meanwhile, Deutsche Bank also scheduled a 100-million-mark, eight-year offering for the Brazilian government, with a 7.25 percent coupon.

The large convertible issue of Sharp Corp., the Japanese consumer electronics company, did not appear to meet with strong demand, so the conversion premium was set at a fairly small 4 percent. The 150-million-mark, 10-year issue was offered at par bearing 3.5 percent semi-annually. The conversion price (based on an exchange rate of 104 yen to the mark) was set at 487 yen compared with Friday's closing price of Sharp Corp. shares in Tokyo of 468 yen.

In Amsterdam, a syndicate led by Amsterdam-Rotterdam Bank had to raise the coupon rate of a 75-million-guilder, seven-year note issue of the European Investment Bank by a quarter point to 8.25 percent. However, the issue price was kept at 99, boosting the yield to 8.44 percent from 8.19 percent.

Earlier, Algemeene Bank Nederland had to boost the coupon rate on its own 150-million-guilder, 10-year issue by a quarter point to 8.75 percent. The issue price remained unchanged at 99.5, raising the yield to 8.84 percent from 8.59 percent.

Dutch dealers said that there have been considerable capital outflows from Holland ahead of the launching of EMS so that interest rates have risen sharply.

Eurobond Yields*

Week Ended Dec. 1 (U.S. Dollars)

International institutions	9.19 %
Industrials, long term	9.50 %
Industrials, medium term	9.61 %
Canadian dollars, medium term	10.52 %
French franc, long term	10.40 %
Unit of acc. long term	8.10 %

* Calculated by Luxembourg Stock Exchange

Market Turnover

Week Ended Dec. 1 (Billions of U.S. Dollars)

Total	903.80	393.70	510.10
Codel	1,437.4	1,174.40	263.00
Eurodol			

* Non-dollar

* (Billions of U.S. Dollars)

Herald Tribune

Published with The New York Times and The Washington Post

ZURICH, TUESDAY, OCTOBER 24, 1978

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